BONVESTS HOLDINGS LIMITED

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EMAIL INVESTORRELATIONS@BONVESTS.COM.SG
COMPANY REGISTRATION NO. 196900282M

BONVESTS HOLDINGS LIMITED ANNUAL REPORT 2014

BONVESTS HOLDINGS LIMITED

ANNUAL REPORT 2014

CORPORATE PROFILE

Founded in 1982, Bonvests Holdings Limited is listed on the main board of the Singapore Exchange. The Group, with over 30 years of experience, has established a sound reputation for quality and service in each of its core businesses.

The Group's 3 core businesses are:

property development & investment	hotel ownership & management	waste management & contract cleaning

In Singapore, Bonvests owns and manages various prime commercial properties, including its flagship building, Liat Towers at Orchard Road. The Group's hotel division, Cenizaro Hotels & Resorts comprises of the Sheraton Towers Singapore Hotel and our collection of four luxury hotels and resorts located in Mauritius, Tunis (Tunisia), Zanzibar and Maldives marketed under the brand name "The Residence by Cenizaro".

In addition, Bonvests owns a 78.94% stake in SGX Catalist-listed subsidiary, Colex Holdings Limited, one of Singapore's leading waste management and contract cleaning companies.

CONTENTS

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BOARD OF DIRECTORS &
CORPORATE DATA

BOARD OF DIRECTORS
Mr Henry Ngo
Chairman and Managing Director

Mr Gary Xie Guojun
Executive Director

Mr Chew Heng Ching
Independent Director

Mr Tom Yee Lat Shing
Independent Director

Mr Yeo Wee Kiong
Independent Director

AUDIT COMMITTEE
Mr Tom Yee Lat Shing
Chairman

Mr Chew Heng Ching
Mr Yeo Wee Kiong

NOMINATING COMMITTEE
Mr Yeo Wee Kiong
Chairman

Mr Henry Ngo
Mr Tom Yee Lat Shing
Mr Chew Heng Ching

REMUNERATION COMMITTEE
Mr Chew Heng Ching
Chairman

Mr Yeo Wee Kiong
Mr Tom Yee Lat Shing

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Company Registration No. 196900282M

REGISTRAR
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#08-00 KH KEA Building
Singapore 188721

COMPANY SECRETARY
Ms Foo Soon Soo

AUDITOR
Foo Kon Tan LLP
Chartered Accountants
47 Hill Street #05-01
Singapore Chinese Chamber of Commerce
& Industry Building
Singapore 179365

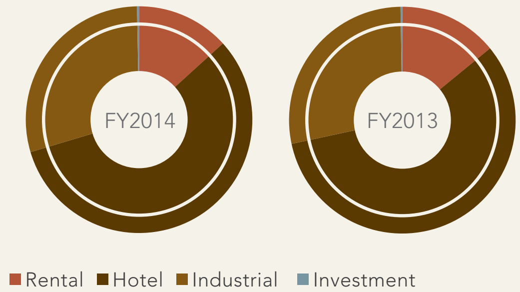
Partner-in-charge: Mr Tei Tong Huat
(since financial year 2011)

PRINCIPAL BANKERS
Oversea-Chinese Banking Corporation
Limited, Singapore
DBS Bank Ltd, Singapore
United Overseas Bank Ltd, Singapore

FINANCIAL HIGHLIGHTS

	2014 $'000	2013 $'000	Restated 2012 $'000	Restated 2011 $'000	Restated 2010 $'000
Revenue	**196,711**	183,965	165,024	153,213	171,432
Profit before Taxation and Non-Controlling Interests	**43,965**	63,315	26,143	50,889	81,757
Profit after Taxation and Non-Controlling Interests	**34,249**	56,228	24,576	46,864	76,126
Profit after Taxation and Non-Controlling Interests and excluding Revaluation Gain/(Loss) and Deferred Tax thereon	**21,640**	21,479	16,959	20,211	28,359
Gross Dividend Per Share (cents)	**1.60**	1.50	1.20	1.50	1.80
Earnings Per Share (cents)	**8.516**	13.981	6.111	11.653	18.929
Net Asset Value Per Share ($)	**2.02**	1.98	1.80	1.79	1.79
Dividend Cover (times)	**5.32**	9.32	5.09	7.77	10.52
Property, Plant and Equipment and Investment Properties	**895,532**	870,845	823,111	807,334	741,469
Net Current (Liabilities)/Assets	**(23,500)**	(23,617)	(53,781)	(73,293)	58,708
Shareholders' Funds	**813,496**	794,619	724,382	719,971	721,255
Non-Controlling Interests	**5,654**	5,419	5,047	4,878	68,117
Short-term Borrowings	**24,731**	37,956	63,749	86,633	4,472
Long-term Borrowings	**97,896**	82,619	56,026	3,996	7,226
Gearing Ratio	**0.13**	0.13	0.14	0.11	Net Cash
Debt to Equity Ratio	**0.15**	0.15	0.16	0.13	0.01
Return on Shareholders' Funds (%)	**4.3**	7.4	3.4	6.5	11.0

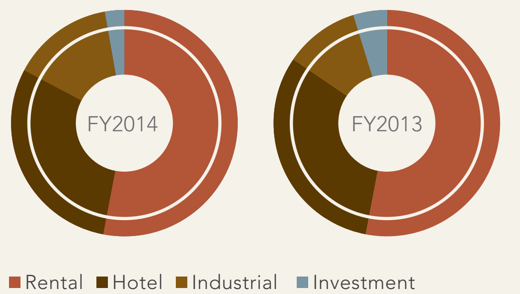
SEGMENT REVENUE



GROUP REVENUE BY BUSINESS SEGMENTS

	2014 S$'000	2014 %	2013 S$'000	2013 %
Rental	26,093	13.3%	25,924	14.1%
Hotel	112,352	57.1%	105,872	57.6%
Industrial	57,696	29.3%	51,693	28.1%
Investment	570	0.3%	476	0.2%
	196,711	100.0%	183,965	100.0%

SEGMENT RESULTS



GROUP RESULTS BY BUSINESS SEGMENTS

	2014 S$'000	2014 %	2013 S$'000	2013 %
Rental	17,969	53.0%	17,553	59.2%
Hotel	10,091	29.8%	7,517	25.4%
Industrial	4,914	14.5%	3,171	10.7%
Investment	931	2.7%	1,412	4.8%
Development	(7)	0.0%	(6)	-0.1%
	33,898	100.0%	29,647	100.0%

CHAIRMAN'S

STATEMENT

Dear Shareholders,

I am pleased to report the 2014 results of the Group.

Financial and Operating Performance

Net profit after taxation and non-controlling interests for the Group decreased by 39.1% to $34.249 million in 2014 from $56.228 million in 2013. This is due mainly to the lower revaluation gain from investment properties, lower contributions from the Investment Division, partly offset by higher contributions from the Hotel, Industrial and Property-Rental Divisions. Excluding the impact of gain on revaluation of investment properties, net profit after taxation and non-controlling interest would have increased 0.7% to $21.640 million in 2014 from $21.479 million in 2013. Revenue increased by 6.9% to $196.711 million in 2014 from $183.965 million in 2013 due mainly to higher revenue from the Hotel, Industrial and Property-Rental Divisions.

Property-Rental Division

Revenue increased by 0.7% to $26.093 million in 2014 from $25.924 million in 2013. The increase is due mainly to higher occupancy rate. Profit before finance costs, gain on revaluation of investment properties, exceptional items, investment income, taxation and non-controlling interests (hereinafter referred to as "segment profit") increased by 2.4% to $17.969 million from $17.553 million in 2013. As at end of 2014, the division enjoyed high occupancy rates in excess of 95%.

Hotel Division

Revenue increased by 6.1% to $112.352 million in 2014 from $105.872 million in 2013. The increase in revenue is due mainly to higher revenue from the hotels in Maldives and Tunis. Segment profit increased by 34.2% to $10.091 million from $7.517 million in 2013 due mainly to increase in revenue.

Industrial Division

Revenue for the Industrial Division increased 11.6% to $57.696 million in 2014 from $51.693 million in 2013 due mainly to rollover effect of existing contracts, new contracts secured and contracts renewed at higher rates. Segment profit increased by 55.0% to $4.914 million in 2014 from $3.171 million in 2013 due mainly to higher revenue.

Investment Division

Revenue for the Investment Division increased 19.7% to $0.570 million in 2014 from $0.476 million in 2013 due mainly to an increase in dividends received. Segment profit decreased 34.1% to $0.931 million in 2014 from $1.412 million in 2013 due mainly to lower fair value gain.

Property-Development Division

There was no revenue in 2014. Since the completion of the villas development project in Tunis Tunisia in 2008, there has been no new property development project. Segment loss of $0.007 million was due to general and administrative expenses incurred.

Earnings Per Share

Earnings Per Share was 8.516 cents in 2014 as compared with 13.981 cents in 2013 and Net Asset Value Per Share increased to $2.02 as at 31 December 2014 from $1.98 as at 31 December 2013.

Business Outlook Strategy

The property rental market in Singapore and Tunis is expected to remain stable in the near term.

The market conditions in the countries in which the Hotel Division operates are expected to remain challenging. Construction has commenced for the Group's second Maldives hotel. Main construction contract for the Group's hotel in Bintan has been awarded and construction has also commenced.

The Industrial Division will continue to optimise its operating conditions to remain profitable.

The performance of the Investment Division will continue to be affected by volatility of the various stock markets.

Dividend

For the financial year ended 31 December 2014, the Board recommends a first and final dividend, 1-tier tax exempt, of 1.60 cents per ordinary share (2013: first and final dividend, 1-tier tax exempt, of $1.50 cents per ordinary share). This proposed first and final dividend, if approved at the forthcoming Annual General Meeting to be held on 29 April 2015, will be paid on 20 May 2015.

Appreciation

I take this opportunity to express my sincere appreciation to my fellow Board members for their guidance, counsel and dedication.

On behalf of the Board of Directors, I would like to thank our shareholders, customers, suppliers and business associates for their continued support and our dedicated staff for their hard work and commitment.

Henry Ngo
Chairman and Managing Director

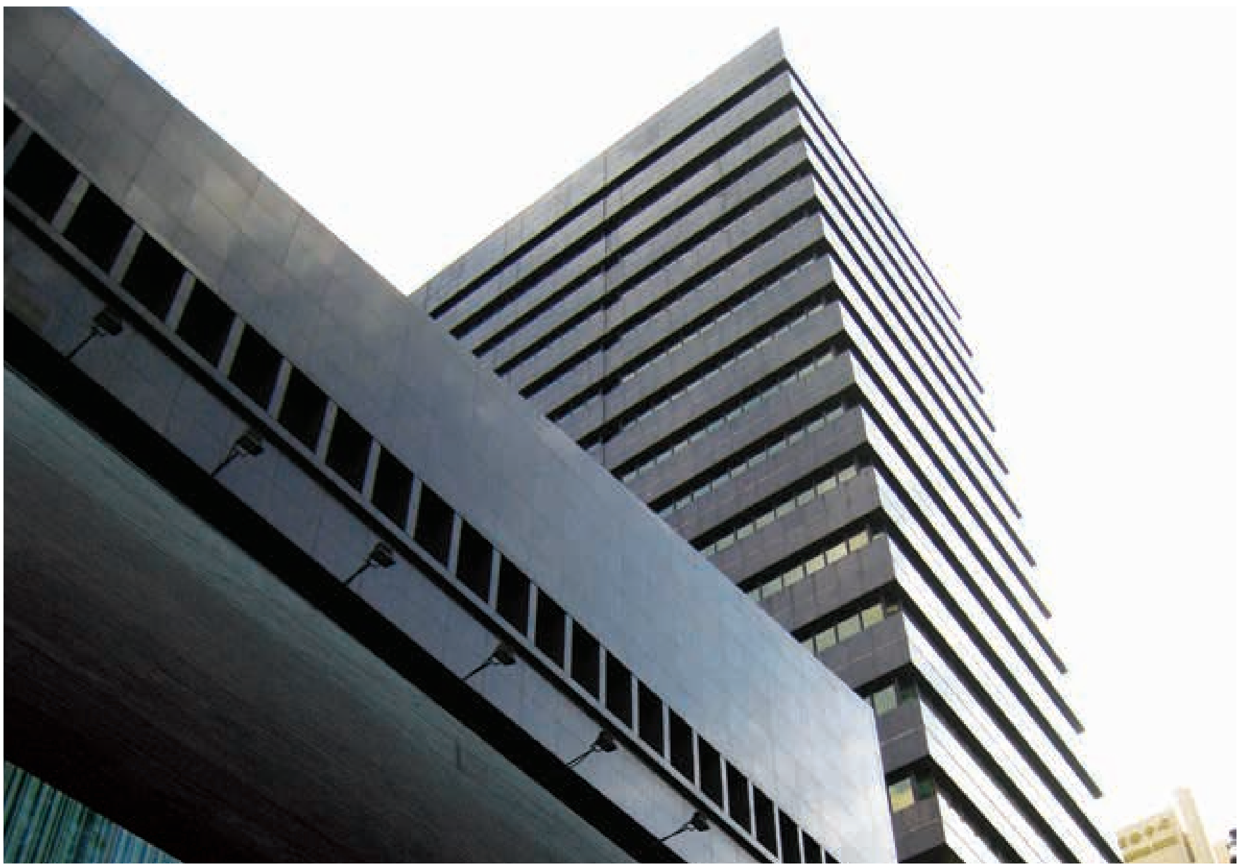
18 March 2015

PROPERTY

Following the rounds of cooling measures implemented by the Singapore Government since 2009 to curb speculation and dampen foreign demand, Singapore's residential property transactions and prices continued to decline in 2014. Apart from the continued enforcement of cooling measures amid the tightened credit environment, headwinds from a glut of supply and buyer caution are likely to see prices continue their downward trend for 2015.

In the office market, rising demand and shrinking pipeline supply resulted in a tighter leasing environment with steady rental growth. Property consultants expect the office market to expand at a similar pace in 2015 compared to the previous year given the limited new supply and steady occupier demand in the near term.

Our flagship property, Liat Towers, is well-connected to public transportation networks and strategically located within the prime tourist shopping belt of Orchard Road and continues to enjoy a high occupancy level. We will be embarking on asset enhancement initiatives to the retail podium in 2015 to improve customer experience, accessibility and to increase shopper traffic. It is our long-term commitment to remain relevant and maintain a strong presence in Orchard Road.



HOTEL

For the year 2014, the hotel had reacted by strategically repositioning itself to capitalise on the growing demand from emerging markets whilst mitigating the softer demand from the US and Europe. This had enabled the hotel to maintain its healthy occupancy although room rates have been slightly affected.

As for the domestic market, there was an increase in spending in food and beverage due largely to stronger social function business.

The tight labour market continues to be challenging and was the major cost increase in the hotel's operations in 2014. The hotel managed to minimise the impact on the bottom line by improving its operating efficiency in other areas such as energy.

With the renewed product and international branding, the hotel will continue to seek further growth opportunities to increase room occupancy and rates. The hotel remains committed in enhancing its product and service quality as one of Singapore's leading hotels.

HOTEL

THE RESIDENCE
MAURITIUS

by Cenizaro

Cenizaro
HOTELS & RESORTS

The hotel managed to marginally improve its occupancy through procuring new business and securing repeat business revenue as defined by its award-winning hospitality excellence, despite challenging market conditions in 2014, due to restrictive air access policy, global currency movements and stiff competition.

The outlook for 2015 is set to remain difficult given the opening of new hotels, the restrictive air access policy and rising payroll costs due to the shortage of manpower. The direction of the hotel is to maintain its market share in Europe and increase marketing efforts towards Asian markets such as China and India.

The European marketing offices will reinforce marketing efforts to consolidate existing and potential markets and build collaborative, multi-level relationships with industry partners to drive new business sources.

HOTEL

THE RESIDENCE
TUNIS

by Cenizaro

The Residence Tunis, a member of The Leading Hotels of the World, saw an increase in revenue for the year 2014 as the political situation stabilised and the hotel improved its occupancy rate by focusing on corporate business and offering attractive online rates during the low and shoulder seasons.

Continuing to sharpen its focus, the strategy for 2015 includes developing its MICE business and increasing its average room rate through better optimisation of its yield management system.

The Residence Golf Club is also targeting to increase its revenue from both the domestic and Scandinavian markets through attractive pricing policies and partnering with dedicated golf tour operators.

The Gammarth Centre shopping complex adjacent to the hotel is fully leased out as at the end of 2014.

Cenizaro®
HOTELS & RESORTS

HOTEL

The hotel, a member of The Leading Hotels of the World continues to hold its status as the premier hotel in East Africa with its award-winning reputation for service excellence.

In order to improve productivity, a few operational layers were removed as the hotel progressed with multi-skill strategy to streamline the workforce without compromising service quality.

For 2015, to grow market penetration and revenue the hotel will be exploring new market opportunities in the Americas and will concentrate on a more aggressive pricing strategy. In addition, the destination will see the opening of a golf course and new hotels by international brands which will help to raise the profile of the Island of Zanzibar.

HOTEL

THE RESIDENCE
MALDIVES

by Cenizaro

Cenizaro
HOTELS & RESORTS

The Residence Maldives, a member of the Leading Hotels of the World has delivered healthy performance even though the hotel was faced with a slowing global economy and tough competition.

The hotel has strengthened its marketing network to explore new markets such as Eastern Europe and Middle East.

The hotel maintained its market share for Asia such as China and Korea and improved its market share for Europe through strong offers.

Direct flights from Asia also benefitted the hotel as it shortened transiting time of its guests.

For 2015 the hotel will continue to work with key partners and offer attractive packages. Marketing initiatives through sales developments, trade events and exhibitions will be key to promote the hotel in its target markets as is media liaisons and press trips; integral in generating increased awareness.

INDUSTRIAL

2014 was a successful year with improved revenue and operating profits as a result of our relentless effort to secure more contracts and renew existing contracts at higher rates. Work processes and procedures were also streamlined to support customer needs and to increase productivity to mitigate the on-going labour crunch and rising costs.

The Material Recovery Facility for sorting recyclables from the industrial, commercial and public waste collection was completed in December 2014.

2015 will be a challenging year as competition continues to be intense and operating costs continues to rise. The key priorities for the Division is to maintain market share and improve overall profitability to sustain future growth.


Make Recycling Our Way of Life
www.colex.com.sg
COLEX

ORGANISATIONAL CHART

PROPERTY

RENTAL
- Essential Investments Pte Ltd
- Goldvein Pte Ltd
- Goldvein Trading Pte Ltd
- Update Investments Pte Ltd
- Bon-Food Pte Ltd

DEVELOPMENT
- Cavendish Realty Pte Ltd
- Magnificent Developments Pte Ltd
- Singapore Tunisian Investment Company Immobiliere (held through Singapore Tunisian Investment Company)

HOTEL

- Belle Mare Beach Development Company Limited (The Residence Mauritius)
- Richvein Pte Ltd (The Sheraton Towers Singapore)
- Singapore Tunisian Investment Company (The Residence Tunis)
- Hotel & Property Development (Kendwa) Limited (The Residence Zanzibar)
- Bonaventure (Maldives) Pvt Ltd (The Residence Maldives)
- PT. Bintan Vista (Tender awarded)
- Bonavista (Maldives) Pvt Ltd (Construction in progress)

INDUSTRIAL

- Colex Holdings Limited
  – Integrated Property Management Pte Ltd
  – Colex Environmental Pte Ltd

DIRECTORS' PROFILE

HENRY NGO

Mr Ngo is the Executive Chairman/Managing Director of the Group. He is also the founder of Bonvests Holdings Limited and is responsible for mapping out the corporate and growth strategy of the Group.

Under Mr Ngo's leadership, the Group has developed the property arm and diversified into waste management as well as hotel development and operations overseas.

GARY XIE GUOJUN

Mr Xie joined Bonvests Holdings Limited in 2007 and is currently serving as Executive Director. In his role as Executive Director, Mr Xie is responsible for the group's overall business and financial strategy, investments and operations.

With more than 10 years of combined experience in real estate, hospitality and banking, Mr Xie has held positions in investments, asset management and financial analysis. He was previously with GIC Real Estate, where he was involved in investment and asset management of direct and corporate real estate, including development projects and listed equities. Prior to that, he worked in the Mergers and Acquisitions and Financial Sponsors division of an investment bank in New York.

He received his MBA with high honors from The University of Chicago Booth School of Business. He also holds a Master of Science in Real Estate with distinction and a Bachelor of Science in Business Administration, cum laude. He is a CFA charter holder and a member of the Singapore Institute of Directors.

CHEW HENG CHING

Mr Chew is an independent Director of the Company since 1995. He has more than 30 years of senior management experience in the public and private sectors. He is the Founding President of the Singapore Institute of Directors ("SID") and Past Chairman of its Governing Council. He is also a director of various other listed companies. Mr Chew is a Board Member and Past Chairman of the Singapore International Chamber of Commerce. He is an ex-Council Member of the Singapore Business Federation. He is also an ex-Member of Parliament and former Deputy Speaker of the Singapore Parliament.

A Colombo Plan scholar, Mr Chew is a graduate in Industrial Engineering (First Class Honours) and Economics and is a university gold medalist from the University of Newcastle, Australia. He holds an Honorary Doctorate in Engineering from the same university. He is a fellow of SID and CPA Australia.

TOM YEE LAT SHING

Mr Yee is an independent Director and Chairman of the Audit Committee of the Company since 1991. He is a Chartered Accountant and was partner of Ernst & Young, an international public accounting firm, from 1974 to 1989.

He has more than 40 years of experience in the field of accounting and auditing and extensive experience in handling major audit assignments of public listed and private companies in various industries, including insurance, manufacturing and retailing.

Mr Yee is a fellow member of the Singapore Institute of Directors. He also sits on the boards of several listed companies including Cosco Corporation (Singapore) Limited, Pacific Century Regional Developments Limited and Powermatic Data Systems Ltd.

YEO WEE KIONG

Mr Yeo is an independent Director of the Company since 1991. He is an ex-Director of a leading Singapore law firm. Prior to that, he was the managing partner of a law corporation which he founded. He was a former investment banker with a Singapore-based UK merchant bank and a senior industry officer with a government statutory board.

Mr Yeo holds a First Class Honours in Mechanical Engineering and a Masters in Business Administration in addition to his legal qualifications. He graduated with an honours degree in law from the University of London and qualified as a Barrister-at-Law with the Lincoln's Inn in England.

SENIOR
EXECUTIVES' PROFILE

DESMOND CHAN KWAN LING

Mr Chan is the Director of Colex Holdings Limited ("Colex"), the waste management division of the Group. Together with the management team, he is overseeing all key matters of the waste division. He is responsible for providing strategic business planning to the operations team and working closely with the Group's subsidiary to carry out the entire Group's financial reporting functions. Mr Chan joined Colex as a General Manager in 1999. He was responsible for overseeing the full spectrum of activities in the waste disposal operations. His years of experience span across the automotive and transportation industries with Singapore Power Ltd as Head, Transport before joining Colex. He holds a Bachelor of Science (Hons) in Mechanical Engineering and a Master of Science from the University of Birmingham, United Kingdom. He is a Member of the Singapore Institute of Directors.

On 7 September 2012, Mr Chan was appointed as Director/General Manager of Colex Environmental Pte Ltd, a wholly owned subsidiary of Colex Holdings Limited.

DING CHEK LEH

Mr Ding is the Director/General Manager in charge of the day-to-day management of the contract cleaning segment undertaken by Integrated Property Management Pte Ltd ("IPM"), a wholly-owned subsidiary of Colex Holdings Limited. He worked with the Housing Development Board for 3 years as an Estate Officer before joining IPM in July 1987 as its Operations Manager. He was promoted to Senior Operations Manager in April 1989 and subsequently to General Manager in September 1990. Mr Ding holds an honours degree in Bachelor of Engineering from University of Canterbury (New Zealand).

STEVEN LONG

Mr Long has been with The Sheraton Towers Singapore for over 20 years. He joined the hotel as a management trainee in 1988 and progressively assumed various positions of the hotel operations including front office, food and beverage, sales and marketing as well as finance. Mr Long was the Director of Finance and Operations before he was promoted to General Manager of the hotel. Mr Long holds a Master of Business Administration degree from Eastern Michigan University and a Bachelor of Commerce degree with high honours from Carleton University.

MEENAKSHI SUNDARAM

Mr Sundaram has joined The Residence Group in 2011 first as Executive Assistant Manager and subsequently promoted as Resident Manager. He was promoted to the position of General Manager of The Residence Maldives in July 2013. Prior to joining The Residence Maldives, he was working with an International Chain in Maldives & U.K. His hospitality career spans over 23 years with 15 years in Maldives. He holds a Bachelor's Degree in Science, Bachelor's Degree in Library & Information Science, Master's Degree in Tourism, Master's Degree in Hotel Management and an MBA in Tourism & Hotel Management.

DAVID SIERRA

Mr Sierra joined The Residence Tunis as General Manager in July 2010 from the luxury French hotel company, Lucien Barrière Hotel et Casinos. His career with the group, spanning 16 years, included postings at the Hermitage La Baule, Hotel du Lac and Grand Hotel-Enghien Les Bains and most recently Hotel and Ryad Naoura Barrière Marrakech where he held the position of Resident Manager. He has more than 26 years experience in the hotel industry.

JEAN-FRANCOIS CHONG

Mr Chong joined The Residence Mauritius in 2007 as Financial Controller. He was promoted as General Manager in 2014. He is a fellow of the Association of Chartered Certified Accountants. He started his career with De Chazal Du Mee which represented Arthur Andersen, in the business advisory and assurance department where he gained extensive experience in various industries of the economy. Afterwards he moved to the hospitality industry for the last 16 years. He was previously working as Financial Controller at The Hilton Spa and Resorts.

JULIAN BURTON

Mr Burton joined The Residence Zanzibar as General Manager in November 2014. A British national raised in Brazil, Mr Burton comes with a wealth of experience gained from international postings over the past 25 years. With a strong background in food and beverage, Mr Burton began his hospitality career as a Food and Beverage Supervisor with his first General Manager position at UK's Macdonald Hotels Plc. He was most recently with Bluebay Hotels in Zanzibar and Sambala Resort – Santiago Island where he held the position of Group General Manager and Resort Director respectively.

The Company is committed to uphold high standards of corporate governance and transparency to protect shareholders' interest and enhance shareholders' value.

Except as disclosed, the Company has complied with the requirements of the 2012 Code of Corporate Governance ("Code") as well as the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual's requirements. There are other sections in this annual report which contain information required by the Code. Hence the annual report should be read in totality.

BOARD MATTERS

Principle 1: Effective Board to lead and control the Company

The Board meets regularly and as warranted by particular circumstances or as deemed appropriate by the Board members. The Company Secretary is present at such meetings to record the proceedings.

The attendance of the directors at meetings of the Board and Board Committees during the year, as well as the frequency of such meetings, is disclosed below:

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Name	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Henry Ngo	4	4	N.A.	N.A.	1	1	N.A.	N.A.
Tom Yee Lat Shing	4	4	4	4	1	1	1	1
Yeo Wee Kiong	4	3	4	3	1	0	1	0
Chew Heng Ching	4	4	4	4	1	1	1	1
Gary Xie Guojun	4	4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. – Not applicable, as the Directors are non-members of the Board Committees.

Board's Role

The Board is collectively responsible for providing the overall strategy and direction to the Management and the Group and ensures that the necessary financial and human resources are in place for the Company to meet its objectives. It establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets, supervises the Management and monitors performance of these goals. Through the Board's leadership, the Group's businesses are able to achieve sustainable and successful performance. The Board is responsible for the overall corporate governance of the Group. It considers sustainability issues of policies and procedures.

Board's Approval

Matters specifically reserved to the Board for its approval are:

(a) interim and year end result announcements;
(b) annual report, financial statements and annual budgets;
(c) convening of shareholder's meetings;
(d) corporate strategies and direction of the Group;
(e) corporate or financial restructuring;
(f) material acquisitions and disposal of assets;
(g) matters involving a conflict of interest for a substantial shareholder or a director; and
(h) share issuances, interim dividends and other returns to shareholders.

Delegation by the Board

Board Committees, namely the Audit Committee ("AC"), Nominating Committee ("NC"), and Remuneration Committee ("RC") have been constituted to assist the Board in the discharge of specific responsibilities. Please refer to Principles 4 to 5, 7 to 9, 11 and 12 herein for further information on the activities of the NC, RC and AC respectively.

Orientation, briefings, updates and trainings for Directors

Newly appointed directors will be given an orientation program to familiarise themselves with the Company's operations. Currently, all directors are members of the Singapore Institute of Directors ("SID") and keep themselves updated on relevant new laws and regulations through SID and other advisors.

During the financial year reported on, the Directors had received updates on regulatory changes to the Listing Rules and the accounting standards and the 2012 Code. The Chairman updates the Board at each Board meeting on business and strategic developments and also highlights the salient issues as well as the risk management considerations for the Group. The Directors had also attended appropriate courses, conferences and seminars including programmes run by the Singapore Institute of Directors.

BOARD COMPOSITION AND BALANCE
Principle 2: Strong and independent element on the Board

As shown on pages 36 and 37, the Board currently comprises 5 members, 3 of whom are independent and non-executive. Key information regarding the Directors and their appointments on various Board Committees is also contained therein. The Board is assisted by the Audit Committee, the Nominating Committee and the Remuneration Committee in carrying out and discharging its duties and responsibilities efficiently and effectively. All Committees are each chaired by an independent director, with majority of members being non-executive and independent.

Collectively as a team, the Board provides core competencies such as accounting, finance, law, business and management experience as well as industry knowledge.

Particulars of interest of Directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Report on pages 39 and 40 of this Annual Report.

Annual Review of Directors' Independence in 2014

Mr Chew Heng Ching, Mr Tom Yee and Mr Yeo Wee Kiong have served for more than nine years. Mr Tom Yee will retire pursuant to Section 153(6) at the forthcoming annual general meeting and be eligible for re-appointment. Mr Chew Heng Ching will retire by rotation at the forthcoming annual general meeting and be eligible for re-election. All the three Independent Directors have confirmed their independence and that they do not have any 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 their independent judgment. The Board (without the participation of the Independent Directors) is of the view that they have engaged the Board in constructive discussion; their contributions are relevant and reasoned, and they have exhibited integrity and exercised independent judgement. The Board further recognises that the Independent Directors have over time developed significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. Presently, the Board considers Mr Chew Heng Ching, Mr Tom Yee and Mr Yeo Wee Kiong independent even though they each have served on the Board for more than nine years from the respective dates of their first appointment.

CHAIRMAN AND MANAGING DIRECTOR

Principle 3: Clear division of responsibilities at the top of the Company

Currently, the Managing Director is also the Chairman of the Board. The Board is of the view that the current size and structure are appropriate given that the independent directors form more than half the Board.

Pursuant to Guideline 3.3 of the Code, the Company should appoint a Lead Independent Director. However, the NC is of the view that as the Board is small with only 5 members, and 3 Independent Directors (comprising more than half the Board) who are available to shareholders as a channel of communication between shareholders and the Board or management, and there is no need to single any one of them as Lead Independent Director.

The Chairman's responsibilities include:

- leading the Board in its role;
- scheduling of meetings (with assistance from the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- preparing meeting agenda;
- reviewing most board papers before they are presented to the Board;
- ensuring effective communication with shareholders; and
- promoting corporate governance.

The Board has direct access to the executives and the Company Secretary to discuss issues, if needed. The Chairman is also assisted in ensuring compliance with the Company's guidelines on corporate governance by the 3 Committees and the Internal Audit function which reports to the Audit Committee.

BOARD MEMBERSHIP

Principle 4: Formal and transparent process for appointment of new directors

The Nominating Committee comprises the following members, three of whom are independent and non-executive, including the Chairman:–

Mr Yeo Wee Kiong (Chairman)
Mr Chew Heng Ching
Mr Tom Yee Lat Shing
Mr Henry Ngo

The role of the Nominating Committee is to make recommendations to the Board on all board appointments. The Committee is charged with the responsibility of re-nomination having regard to each director's contribution and performance, including, if applicable, as an independent director. The Nominating Committee is also charged with determining annually whether or not a director is independent.

MULTIPLE BOARD REPRESENTATIONS

The NC considers and it is of the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities, and for each Director to personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively.

Selection, Appointment and Re-election of Directors

Annually, the NC reviews the composition of the Board and Board committees having regard to the performance and contribution of each individual director and to ensure diversity of skills and experience within the Board and Board committees.

Where there is a resignation or retirement of an existing director, the NC will re-evaluate the Board composition to assess the competencies for the replacement. The NC will deliberate and propose the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include among other things, whether the new director can add to or complement the mix of skills and qualifications in the existing Board, relevance of his experience and contributions to the business of the Company and the depth and breadth he could bring to Board discussions. Candidates are sourced through a network of contacts and identified based on the established criteria. Search can be made through relevant institutions such as the SID, professional organisations or business federations or external search consultants. New directors will be appointed by way of a Board resolution, after the NC makes the necessary recommendation to the Board.

Currently, Article 92 of the Company's Articles of Association provides that 1/3 of the ordinary directors for the time being (if any) or if their number is not a multiple of 3, then the number nearest to 1/3, shall retire from office at the first annual general meeting and at the annual general meeting in every subsequent year.

The NC has recommended to the Board, the re-election of Mr Chew Heng Ching and Mr Gary Xie Guojun who retire by rotation, and the re-appointment of Mr Tom Yee who retire pursuant to Section 153(6) of the Companies Act, at the forthcoming annual general meeting.

In making recommendation for the purpose of re-nomination of these Directors, the NC has taken into consideration these Directors' contribution and performance. Mr Chew Heng Ching and Mr Tom Yee each, has abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own performance or re-election/re-appointment as a director. The Board has accepted the NC's recommendation.

BOARD PERFORMANCE

Principle 5: Formal assessment of the effectiveness of the Board and contributions of each director

The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole and of individual director.

Each year, the Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board and the Board Committees, as well as each individual Director's contributions to the Board and Board Committees. The results of the appraisal exercise were considered by the NC, which then made recommendations to the Board, aimed at helping the Board discharge its duties more effectively.

The appraisal focus on Board composition, maintenance of independence, Board information, Board process, Board accountability, communication with Management and standard of conduct.

The NC has reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year and is of the view that the performance of the Board as a whole has been satisfactory.

Where a Director has multiple board representations, the Nominating Committee will evaluate whether or not the Director is able to carry out and has been adequately carrying out his duties as a director of the Company.

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

ACCESS TO INFORMATION

Principle 6: Board members to have complete, adequate and timely information

Periodic financial summary reports, budgets, forecasts and other disclosure documents are provided to the Board, where appropriate, prior to Board meetings. The Board has separate and independent access to the Company Secretary and key executives.

The Company Secretary is present at formal Board meetings to respond to the queries from any Director and to assist in ensuring that Board procedures as well as applicable rules and regulations are followed.

Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Board has adopted a policy to seek independent professional advice.

REMUNERATION MATTERS

Principle 7: Formal and transparent procedure for fixing remuneration packages of directors

The Remuneration Committee comprises three members, all of whom are independent and non-executive:–

Mr Chew Heng Ching (Chairman)
Mr Yeo Wee Kiong
Mr Tom Yee Lat Shing

The Remuneration Committee recommends to the Board a framework for remuneration for the Board and key executives and to determine specific remuneration packages for each executive director of the Company.

The recommendations of the RC will be submitted to the Board for endorsement. The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company.

LEVEL/MIX AND DISCLOSURE OF REMUNERATION

Principle 8: Remuneration of directors should be adequate but not excessive
Principle 9: Remuneration policy, level and mix of remuneration and procedure for setting remuneration

The Board previously engaged an independent human resource consultancy firm to assist in reviewing the competitiveness of the remuneration packages for the executive directors and fees paid to non-executive directors and to make recommendations thereon. Based on the recommendation, the Committee has devised a performance-related remuneration scheme for the executive directors. This scheme was subsequently approved by the Board.

In 2012, the Company commissioned Aon Hewitt to undertake a review of Senior Executives' compensation to benchmark the remuneration of the executive directors against comparable companies in the industry. The RC is guided by the Aon Hewitt's Senior Executive Compensation Benchmarking Report for the Company in its review of the executive directors to ensure that they are not overly or underly compensated.

The Board has also recommended a fixed fee for non-executive directors, taking into account the effort, time spent and responsibilities of each non-executive director. The fees of non-executive directors will be subjected to shareholders' approval at the Annual General Meeting.

Disclosure of Remuneration of Directors and Executives

Directors

	Mix of Remuneration				
	Directors' Fees	Salary	Bonus	Others	Total
$500,000 to $750,000					
Henry Ngo	–	74%	23%	3%	100%
$250,000 to below $500,000					
Gary Xie Guojun	–	66%	34%	–	100%
Below $250,000					
Tom Yee Lat Shing	100%	–	–	–	100%
Yeo Wee Kiong	100%	–	–	–	100%
Chew Heng Ching	100%	–	–	–	100%

Top 5 Management Personnel (who are not Directors)

	Mix of Remuneration			
	Salary	Bonus	Others	Total
$500,000 to $750,000				
Executive 1	41%	57%	2%	100%
$250,000 to below $500,000				
Executive 2	44%	47%	9%	100%
Executive 3	79%	–	21%	100%
Executive 4	56%	38%	6%	100%
Below $250,000				
Executive 5	67%	33%	–	100%

The remuneration of the top 5 key executives (who are not directors) was shown on a "no name" basis on concern over poaching of these key executives by competitors.

The aggregate of the total remuneration paid to the top five key management personnel (who are not directors) is $1,891,000.

Immediate Family Member of Directors

Other than Mr Andy Xie and Ms Lydia Tjhia, children of Mr Henry Ngo and siblings of Mr Gary Xie, whose remuneration are within the bands of $150,000 to $200,000 and $100,000 to $150,000 respectively, there is no immediate family member of the Directors who is employed in the Group.

Share Incentive Scheme

The Company does not have any share option or other share incentive schemes for its employees.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability of the Board and Management

The Board provides a balanced and meaningful assessment of the Group's financial performance and prospects regularly through financial statements, announcement of results to shareholders and the SGX-ST as well as the Chairman's statement, and review of operations in the annual report. Financial results are released on a quarterly basis to the shareholders through SGXNET and then the Company's website at http://www.bonvests.com.sg.

In turn, Management of the Company provides the Board with balanced and understandable accounts of the Group's performance, financial position and business prospects on a regular basis.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: Responsibility of the Board for governance of risk

The Group maintains a system of internal controls for all companies within the Group. The controls are to provide reasonable assurance (but not absolute guarantee) that assets are adequately safeguarded, operational and information technology controls are in place, business risks are suitably addressed and proper accounting records are maintained.

For the financial year ended 31 December 2014, the Board has received letters of assurance from the Managing Director, the Finance Manager of the Company and the financial controllers of substantial subsidiaries of the Group that 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 regarding the effectiveness of the Company's risk management and internal controls system.

In line with SGX-ST Listing Rule 1207(10), the Board with the concurrence of the Audit Committee is satisfied that the Company's framework of internal controls is adequate to provide reasonable assurance of the integrity, effectiveness and efficiency of the Company in safeguarding its assets and shareholders' interests. Such framework serves to provide reasonable assurance against material misstatement or loss and to address financial, operational, compliance and information technology control risks.

With the assistance of the Internal Audit function and through the Audit Committee, the Board of Directors reviews the effectiveness of the key internal controls on an on-going basis, provides its perspective on management control and ensures that the necessary corrective actions are taken on a timely basis. There are formal procedures in place for both the internal and external auditors to report independently conclusions and recommendations to Management and to the Audit Committee.

The Group's system of internal controls has a key role in the identification and management of risks that are significant to the achievement of its business objectives. The process of business risk management has been integrated throughout the Group into business planning and monitoring process. Management continuously evaluates and monitors the significant risks. The Board reviews the overall risk management process to ensure that there are adequate controls and other processes in place to manage the significant risks identified.

The significant macro-level risk factors relevant to the Group's operations and the associated mitigating factors are discussed as follows:

Property Division

Economic or market risks
Such risks may arise from over-supply of office and retail space and lack of demand due to weak economy. We conduct regular environmental scanning and update our marketing intelligence system continuously so that we can respond to such market risks on a timely basis.

Social and political risks
Such risks may result in damages to property arising from riots, sabotage or terrorist attacks. We manage such risks by implementing tight security measures and taking up appropriate insurance policies.

Legal risks
Such risks may arise from defects in the property, plant and equipment that may lead to bodily harm or property losses and hence legal claims arising from tenants and third parties. We address these risks through a comprehensive preventive maintenance program and taking appropriate property insurance and third-party liability insurance.

Hotel Division

Country risks
Country risks could arise from possible nationalisation of assets by any new and regressive government gaining power in the foreign countries where the Group operates in. Such risks are beyond our control. Further, we remit earnings in these countries back to Singapore as soon as is practicably possible.

Economic, social and political risks
Such risks could arise from over-supply of hotel rooms and lack of demand due to falling tourist arrivals in Singapore, Tunisia and Mauritius. Local conditions such as political instability, war, riots, sabotage or even terrorist attacks could affect tourist arrivals. We manage these risks through a close monitoring system. Insurance policies are also taken up where appropriate.

Industrial Division

Economic and market risks
The waste disposal and contract cleaning industry is very competitive with many new players trying to under-bid or under-cut the fee of incumbent service providers in gaining market access or market share. Loss of major contract may severely impact the operations of this division. We address such risks by ensuring that we operate within certain market niches where we have competitive advantages and that our costs are controlled to help us remain competitive.

Risks associated with labour-intensive operations
The lack of local workers willing to take up employment within this industry poses a major challenge to our labour-intensive operations. The employment of foreign workers is subjected to governmental control. The employment costs for the industry are generally on the rise. As we are generally reliant on labour for contractual fulfillment, the ability to attract and retain a pool of manual workers who are capable of performing the services required in a cost-efficient and accident-free manner will be the key to our remaining in the competition.

Corporate Level

Financial risk
Such risks include interest rate risk, foreign currency risk from foreign currency denominated assets and liabilities as well as foreign investments and credit risk arising from payment default by customers or tenants. We manage such risks mainly by monitoring the rate movements in the financial market closely, hedging the fluctuation risks by the use of the appropriate hedge instruments and putting a formal credit evaluation and collection system in place.

Operational risks that may result in fraud and error
The sheer diversity and scale of our operations subject us to such risks. We address these risks by instituting standards on corporate governance, setting a code on ethical conduct, promoting fraud awareness and control consciousness, implementing proper system of internal controls and maintaining an Internal Audit function.

AUDIT COMMITTEE
Principle 12: Establishment of Audit Committee with written terms of reference

Audit Committee

The Audit Committee comprises the following members, all of whom are independent and non-executive:

Mr Tom Yee Lat Shing (Chairman)
Mr Yeo Wee Kiong
Mr Chew Heng Ching

The role of the Audit Committee is to assist the Board of Directors in the execution of its corporate governance responsibilities within the established Board references and requirements. The Audit Committee reviewed the financial statements of the Group for the year ended 31 December 2014 as well as the auditor's report thereon and the quarterly, half-yearly and annual results announcements before they are submitted to the Board for approval. The Audit Committee also reviewed the interested person transactions of the Group. The services of the Internal Audit function are utilised to assist the Audit Committee in the discharge of its duties and responsibilities. The Audit Committee also has the authority to carry out any matter within its terms of reference.

The financial statements, accounting policies and system of internal controls are the responsibilities of the Board of Directors acting through the Audit Committee. In performing its functions set out in Section 201B(5) of the Companies Act, Cap. 50, the Audit Committee reviewed the scope of work of both internal and external auditors and the assistance given by the Group's officers to the audits. It met periodically with the Company's internal and external auditors to review their audit plans and discuss the results of their respective examinations and their evaluations of the Group's system of internal controls. The Audit Committee always has separate and independent access to the external auditors and the Internal Auditors.

In accordance with the principles set out in the Code, the Audit Committee is satisfied that it:

- has full access to and cooperation from Management as well as discretion to invite any director, executive or otherwise, to attend its meetings;
- has been given reasonable resources to enable it to complete its functions properly; and
- has reviewed findings and evaluations of the system of internal controls with internal and external auditors.

The Audit Committee is satisfied with the assistance given by the Group's officers to the audit functions.

The Company confirms compliance with Rule 712 of the Listing Manual in engaging Foo Kon Tan LLP ("FKT"), as the external auditors of the Company which is registered with the Accounting and Corporate Regulatory Authority. FKT are the external auditors of the Company and of its Singapore subsidiaries (except Richvein Pte Ltd). The Company engages Ernst & Young LLP as the auditor of Richvein Pte Ltd and other suitable audit firms for its foreign subsidiaries. Pursuant to Rule 716 of the Listing Manual, the Board and Audit Committee are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the company. The Audit Committee has reviewed the amount of non-audit services rendered to the Group by the external auditors. During the year, the fees paid to the external auditors of the Company for non-audit services amounted to $19,500 or 7.1% of the audit fee. Being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, the Audit Committee has recommended their re-nomination to the Board.

The Company has in place a whistle-blowing framework for staff to raise concerns about improprieties in confidence in matters of financial reporting or other matters. The AC oversees the administration of the framework and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. Such concerns raised will be independently investigated and appropriate follow-up action taken.

INTERNAL AUDIT

Principle 13: Setting up independent internal audit function

The Company's Internal Audit ("IA") function is outsourced to one of the Big 4 Certified Public Accounting Firms. IA supports the AC in reviewing the adequacy of the Company's internal control system. IA has unrestricted direct access to the AC. IA plans its internal audit schedules in consultation with, but independently of, management and its IA Plan is submitted to the AC for approval at the beginning of each year. IA essentially follows the professional standards set by the Institute of Internal Auditors.

Other audit professionals are engaged from time to time to complement the work of the existing IA team in overseas assignments where language would be a barrier. The Audit Committee is satisfied that the IA function is adequately resourced to carry out its function.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Equal treatment of all shareholders
Principle 15: Regular, effective and fair communication with shareholders
Principle 16: Shareholder participation at General Meetings

The Board strives to ensure that timely disclosure is made regarding all material business matters affecting the Group so as to maintain a high level of transparency. All announcements by the Company are made through SGXNET.

The Group also maintains a website at http://www.bonvests.com.sg at which shareholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group.

At Annual General Meeting, shareholders are given the opportunities to express their views and ask the Board and management questions regarding the operations of the Company. The Directors, including the chairpersons of each of the Board Committees are normally available at the meetings to address shareholders' queries. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Shareholders are encouraged to attend the annual general meetings and/or the extraordinary general meetings to ensure high levels of accountability and to stay appraised of the Group's strategy and goals. Notice of the meetings will be advertised in newspapers and announced on the SGXNET.

The Company will have separate resolutions at general meetings on each distinct issue.

The Company's Articles of Association allow a member of the Company to appoint one or two proxies to attend and vote at its general meetings.

SECURITIES TRANSACTIONS

In line with SGX-ST Listing Rule 1207(19) on Dealings in Securities, the Company issues circulars to its directors and employees to remind them that: (1) they should not deal in shares of the Company on short-term considerations or if they are in possession of unpublished material price-sensitive information; and (2) they are required to report on their dealings in shares of the Company. The officers are also reminded of the prohibition in dealings in shares of the Company 2 weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement if its full year financial statements. The restriction in Dealings in Securities is also extended to employees of the Company.

INTERESTED PERSON TRANSACTIONS

The Group has adopted an internal policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length and are reviewed by the Audit Committee. The details of the interested person transactions conducted during the year are disclosed as follows:

Interested person	Type of transactions	Aggregate Value of all Transactions (excluding transactions less than S$100,000)*
Henry Ngo	Receipt of cleaning, waste disposal services from Group's subsidiary companies	$209,813
Henry Ngo	Receipt of management services from Group's subsidiary companies	$261,748

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

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, Director or substantial shareholder.

The Board is satisfied with the Group's commitment to compliance with the Code of Corporate Governance.

CORPORATE
GOVERNANCE STATEMENT

Name of Directors	Academic/Professional Qualifications/Affiliations	Board Appointment Executive/Non-Executive	Date Last Elected/ Re-Appointed
Henry Ngo	Higher School Certificate	Chairman and Managing Director	29 April 2014
Gary Xie Guojun	Bachelor of Science in Business Administration, Cum Laude Master of Science in Real Estate with Distinction Master of Business Administration with High Honors CFA Charter Holder Ordinary Member, Singapore Institute of Directors	Executive Director	23 April 2013
Tom Yee Lat Shing	Fellow Member, CPA Australia Fellow Member, Institute of Chartered Accountants in Australia Fellow Member, Institute of Singapore Chartered Accountants Associate Member, Institute of Chartered Secretaries and Administrators Fellow Member, Singapore Institute of Directors	Independent Non-Executive	29 April 2014
Yeo Wee Kiong	1st Class Honours Degree in Mechanical Engineering Masters Degree in Business Administration LLB (Honours)	Independent Non-Executive	29 April 2014
Chew Heng Ching	Degrees in Industrial Engineering (1st Class Honours) and Economics PhD in Engineering (Honorary) Fellow, Singapore Institute of Directors Fellow, CPA Australia	Independent Non-Executive	23 April 2013

Board Committee As Chairman or Member	Date First Appointed	Directorships/Chairmanships listed in Singapore (Present & Held Over Preceding 3 Years) & Major Appointments
Member: Nominating Member: ESOS	18.03.2002 26.06.2000	**Listed Company** (1) Colex Holdings Limited
NA	1 June 2010	NA
Chairman: Audit Committee Member: Nominating Member: Remuneration Member: ESOS	30.09.1991 18.03.2002 26.02.2007 26.06.2000	**Listed Company** (1) Cosco Corporation (Singapore) Limited (2) Pacific Century Regional Developments Limited (3) Powermatic Data Systems Ltd
Member: Audit Committee Chairman: Nominating Member: Remuneration Member: ESOS	25.03.1997 26.02.2007 26.02.2007 26.06.2000	**Listed Company** (1) Kian Ho Bearings Ltd (2) SingHaiYi Group Ltd (Past) (3) Swee Hong Limited (Past) (4) SMRT Corporation Ltd (Past) **Major Appointment** Council Member, Singapore Institute of Directors (2009 – 2012)
Member: Audit Committee Member: Nominating Chairman: Remuneration Member: ESOS	18.05.1995 26.02.2007 26.02.2007 26.06.2000	**Listed Company** (1) Chosen Holdings Limited (2) Huan Hsin Holdings Ltd (3) Ausgroup Limited (4) Pharmesis International Ltd (5) Spindex Industries Limited (6) Sinopipe Holdings Limited (7) Stratech Systems Ltd **Major Appointments** Member of Parliament (1984 – 2006) Deputy Speaker, Parliament of Singapore (2002 – 2006) Chairman, Singapore International Chamber of Commerce (2005 – 2007) Council Member, Singapore Business Federation (2008) President, Singapore Institute of Directors (1998 – 2003) Chairman, Singapore Institute of Directors (2004 – 2009)

FINANCIAL CONTENTS

The directors present this report to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 and the statement of financial position of the Company as at 31 December 2014.

NAMES OF DIRECTORS

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

Henry Ngo
Gary Xie Guojun
Tom Yee Lat Shing (Independent Director)
Yeo Wee Kiong (Independent Director)
Chew Heng Ching (Independent Director)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 1.1.2014	As at 31.12.2014 and 21.1.2015#	As at 1.1.2014	As at 31.12.2014 and 21.1.2015#
The Company – Bonvests Holdings Limited		Number of ordinary shares		
Henry Ngo	3,620,831	**85,357,128**	328,077,066	**246,340,769**
Tom Yee Lat Shing	420,000	**420,000**	–	**–**
Yeo Wee Kiong	420,000	**420,000**	–	**–**
Chew Heng Ching	486,000	**486,000**	–	**–**
The immediate holding company – Goldvein Holdings Pte. Ltd.				
Henry Ngo	42,502,922	**42,502,922**	–	**–**

DIRECTORS' INTEREST IN SHARES OR DEBENTURES (CONT'D)

Mr Henry Ngo, by virtue of the provisions of Section 7 of the Companies Act, Cap. 50, is deemed to have an interest in the whole of the issued share capital of all the wholly-owned subsidiaries of Bonvests Holdings Limited and Goldvein Holdings Pte. Ltd., and in the shares held by the Company in the following subsidiaries that are not wholly owned by the Group:

	As at 1.1.2014	As at 31.12.2014
	Number of ordinary shares	
Colex Holdings Limited	106,331,560	**106,331,560**

There are no changes to the above shareholdings as at 21 January 2015.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in Notes 26 and 28 to the accompanying financial statements, and except that Mr Henry Ngo and Mr Gary Xie Guojun have an employment relationship with a related company, and have received remuneration in that capacity.

SHARE OPTION SCHEME

No options to take up unissued shares of the Company or any subsidiaries have been granted during the financial year.

No shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries.

There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

AUDIT COMMITTEE

The audit committee at the end of the financial year comprises the following members:

Tom Yee Lat Shing (Chairman)
Yeo Wee Kiong
Chew Heng Ching

All members of the Audit Committee were non-executive directors and all members were independent.

The audit committee performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

AUDIT COMMITTEE (CONT'D)

(iii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2014 as well as the auditor's report thereon; and

(iv) effectiveness of the Company's material internal controls via reviews carried out by the internal auditors;

(v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

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

(vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(viii) reviewed the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(x) reported actions and minutes of the Audit Committee to the board of directors with such recommendations as the Audit Committee considered appropriate; and

(xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

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

The audit committee is satisfied with the independence and objectivity of the external auditor and has recommended to The Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

INDEPENDENT AUDITOR

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

OTHER INFORMATION REQUIRED BY THE SGX-ST

Material information

There are no material contract to which the Company or its subsidiaries, is a party which involve directors' interests subsisted or have been entered into during the financial year except as disclosed under "Disclosure of Remuneration of Directors and Executives" on "Corporate Governance" and on Note 26 to the financial statements.

Interested person transactions

There was no interested person transactions as defined in Chapter 9 of Listing Manual of the Singapore Exchange conducted during the financial year except as disclosed under "Interested Person Transactions" on "Corporate Governance" and on Note 35 to the financial statements.

On behalf of the Directors

HENRY NGO

TOM YEE LAT SHING

Dated: 18 March 2015

STATEMENT BY DIRECTORS

for the financial year ended 31 December 2014

In the opinion of the directors, the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows of the Group, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year ended on that date, and 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 Directors

HENRY NGO

TOM YEE LAT SHING

Dated: 18 March 2015

INDEPENDENT
AUDITOR'S REPORT
to the members of Bonvests Holdings Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Bonvests Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 18 March 2015

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2014

	Note	The Company 31 December 2014 $'000	The Company 31 December 2013 $'000	The Group 31 December 2014 $'000	The Group 31 December 2013 $'000
ASSETS					
Non-Current Assets					
Investment properties	4	**–**	–	**497,107**	485,159
Property, plant and equipment	5	**–**	–	**398,425**	385,686
Subsidiaries	6	**529,436**	501,234	**–**	–
Intangible assets	6(a)	**–**	–	**–**	–
Available-for-sale financial assets	7	**–**	–	**27,910**	32,532
Held-to-maturity financial asset	8	**–**	–	**995**	–
Club memberships	9	**131**	131	**131**	131
Rental lease receivables	10	**–**	–	**665**	229
Long-term prepayments	11	**–**	–	**29,638**	10,063
Deferred income tax assets	12	**–**	–	**5,614**	8,690
		529,567	501,365	**960,485**	922,490
Current Assets					
Inventories	13	**–**	–	**4,276**	4,135
Financial assets at fair value through profit or loss	14	**–**	–	**3,661**	3,276
Trade and other receivables	15	**121**	119	**24,652**	23,784
Advances to subsidiaries (non-trade)	16	**65,337**	61,259	**–**	–
Cash and cash equivalents	17	**1,166**	2,250	**23,267**	31,894
		66,624	63,628	**55,856**	63,089
Non-current assets classified as held-for-sale	18	**–**	–	**259**	280
		66,624	63,628	**56,115**	63,369
Total assets		**596,191**	564,993	**1,016,600**	985,859

		The Company		The Group	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Note	$'000	$'000	$'000	$'000
EQUITY AND LIABILITIES					
Capital and reserves attributable to equity holders of the Company					
Share capital	19	**254,139**	254,139	**254,139**	254,139
Retained profits		**91,106**	77,368	**621,459**	593,247
Other reserves	20	**–**	–	**(62,102)**	(52,767)
		345,245	331,507	**813,496**	794,619
Non-controlling interests		**–**	–	**5,654**	5,419
Total equity		**345,245**	331,507	**819,150**	800,038
Non-Current Liabilities					
Borrowings	21	**90,000**	70,000	**97,896**	82,619
Long-term liabilities	22	**–**	–	**12,412**	9,256
Gratuity on retirement	23	**–**	–	**526**	517
Deferred income tax liabilities	12	**–**	–	**7,260**	6,723
		90,000	70,000	**118,094**	99,115
Current Liabilities					
Trade and other payables	24	**874**	1,055	**48,897**	42,967
Current tax payable		**64**	63	**5,728**	5,783
Borrowings	21	**10,600**	25,360	**24,731**	37,956
Advances from subsidiaries (non-trade)	16	**149,408**	137,008	**–**	–
		160,946	163,486	**79,356**	86,706
Total equity and liabilities		**596,191**	564,993	**1,016,600**	985,859

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER

COMPREHENSIVE INCOME

for the financial year ended 31 December 2014

	Note	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000
Revenue	3, 36	**196,711**	183,965
Other income	25	**15,909**	39,402
Changes in inventories of finished goods		**261**	56
Materials and consumables used		**(17,049)**	(15,442)
Employee benefit costs	26	**(64,051)**	(58,972)
Depreciation expenses	5	**(17,239)**	(16,147)
Other operating expenses	27	**(68,321)**	(67,415)
Finance costs	28	**(2,256)**	(2,132)
Profit before taxation	28	**43,965**	63,315
Taxation	29	**(8,885)**	(6,554)
Total profit for the year		**35,080**	56,761
Other comprehensive (expense)/income after tax:			
Items that will not be reclassified subsequently to profit or loss			
Actuarial losses in defined benefit plans		**(4)**	–
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		**(421)**	3,704
Available-for-sale financial assets			
– Fair value (losses)/gains	20(i)	**(8,291)**	15,110
Other comprehensive (expense)/income for the year, net of tax	31	**(8,716)**	18,814
Total comprehensive income for the year		**26,364**	75,575
Profit attributable to:			
Owners of the parent		**34,249**	56,228
Non-controlling interests		**831**	533
		35,080	56,761
Total comprehensive income attributable to:			
Owners of the parent		**25,609**	75,063
Non-controlling interests		**755**	512
		26,364	75,575
Earnings per share	32	**Cents**	Cents
– Basic		**8.52**	13.98
– Diluted		**8.52**	13.98

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

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

for the financial year ended 31 December 2014

	Attributable to equity holders of the Company								
	Share capital $'000	Retained profits* $'000	Revaluation surplus reserve $'000	Fair value reserve $'000	Exchange fluctuation reserve $'000	Premium paid on acquisition of non-controlling interests $'000	Total attributable to equity holders of the parent $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2014	**254,139**	**593,247**	**13,583**	**15,953**	**(45,890)**	**(36,413)**	**794,619**	**5,419**	**800,038**
Profit for the year	**–**	**34,249**	**–**	**–**	**–**	**–**	**34,249**	**831**	**35,080**
Other comprehensive expense	**–**	**(4)**	**–**	**(8,291)**	**(345)**	**–**	**(8,640)**	**(76)**	**(8,716)**
Total comprehensive income/ (expenses) for the year	**–**	**34,245**	**–**	**(8,291)**	**(345)**	**–**	**25,609**	**755**	**26,364**
2013 final tax-exempt (1-tier) dividend paid of 1.50 cents per share (Note 30)	**–**	**(6,033)**	**–**	**–**	**–**	**–**	**(6,033)**	**–**	**(6,033)**
Dividend paid by subsidiaries to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(140)**	**(140)**
Change in interest in a subsidiary	**–**	**–**	**–**	**–**	**–**	**(699)**	**(699)**	**(380)**	**(1,079)**
Transactions with owners	**–**	**(6,033)**	**–**	**–**	**–**	**(699)**	**(6,732)**	**(520)**	**(7,252)**
Balance at 31 December 2014	**254,139**	**621,459**	**13,583**	**7,662**	**(46,235)**	**(37,112)**	**813,496**	**5,654**	**819,150**
Balance at 1 January 2013	254,139	541,845	13,583	843	(49,615)	(36,413)	724,382	5,047	729,429
Profit for the year	–	56,228	–	–	–	–	56,228	533	56,761
Other comprehensive income/ (expense)	–	–	–	15,110	3,725	–	18,835	(21)	18,814
Total comprehensive income for the year	–	56,228	–	15,110	3,725	–	75,063	512	75,575
2012 final tax-exempt (1-tier) dividend paid of 1.20 cents per share (Note 30)	–	(4,826)	–	–	–	–	(4,826)	–	(4,826)
Dividend paid by subsidiaries to non-controlling interests	–	–	–	–	–	–	–	(140)	(140)
Transactions with owners	–	(4,826)	–	–	–	–	(4,826)	(140)	(4,966)
Balance at 31 December 2013	254,139	593,247	13,583	15,953	(45,890)	(36,413)	794,619	5,419	800,038

* Retained profits are distributable.

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

CONSOLIDATED STATEMENT OF
CASH FLOWS
for the financial year ended 31 December 2014

	Note	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000
Cash Flows from Operating Activities			
Profit before taxation		**43,965**	63,315
Adjustments for:			
Depreciation of property, plant and equipment	5	**17,239**	16,147
Fair value gain on financial assets at fair value through profit or loss	14	**(385)**	(929)
Goodwill written off		**–**	232
Interest income	25	**(592)**	(525)
Dividend income		**(570)**	(476)
Interest expense	28	**2,256**	2,132
Gain on disposal of property, plant and equipment		**(50)**	(115)
Property, plant and equipment written off		**550**	115
Replaced components of improvements to investment properties written off	4	**122**	22
Net fair value gain of investment properties	4	**(12,957)**	(35,747)
Operating profit before working capital changes		**49,578**	44,171
(Increase)/decrease in inventories		**(141)**	12
Increase in operating receivables		**(1,233)**	(1,365)
Increase in operating payables		**2,721**	70
Proceeds from discharge of fixed deposits pledged with the bank		**–**	1,000
Cash generated from operations		**50,925**	43,888
Income taxes paid		**(5,739)**	(6,908)
Net cash generated from operating activities		**45,186**	36,980
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		**(24,768)**	(22,971)
Acquisition of investment properties		**(159)**	(54)
Purchase of available-for-sale financial assets		**(3,669)**	(6,277)
Purchase of held-to-maturity financial asset		**(995)**	–
Payment for long-term prepayments		**(19,080)**	(792)
Proceeds from disposal of property, plant and equipment		**273**	222
Additional acquisition of shares in a subsidiary		**(1,079)**	–
Investment income			
– Interest received		**592**	525
– Dividends received		**570**	476
Net cash used in investing activities		**(48,315)**	(28,871)

	Note	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000
Cash Flows from Financing Activities			
Proceeds from bank borrowings		**21,898**	28,143
Repayment of bank borrowings		**(16,970)**	(35,187)
Proceeds from finance leases		**582**	8,937
Repayment of finance leases		**(3,108)**	(1,228)
Interest paid		**(2,256)**	(2,132)
Dividends paid			
– to non-controlling interests		**(140)**	(140)
– to equity holders of the Company		**(6,033)**	(4,826)
Net cash used in financing activities		**(6,027)**	(6,433)
Net (decrease)/increase in cash and cash equivalents		**(9,156)**	1,676
Cash and cash equivalents at beginning		**31,599**	30,332
Exchange differences on translation		**137**	(409)
Cash and cash equivalents at end	17	**22,580**	31,599

NOTE:
Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $31,031,000 (2013 – $24,966,000) of which $740,000 (2013 – $Nil) relate to provision for dismantlement and restoration cost and $582,000 (2013 – $8,937,000) was acquired by means of finance leases. Cash payments of $24,768,000 (2013 – $22,971,000) were made to purchase property, plant and equipment.

	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000
Additions of property, plant and equipment	**31,031**	24,966
Less: Amount payable for capital expenditure at year end	**(3,874)**	(367)
Provision for dismantlement and restoration cost	**(740)**	–
Lease rental capitalised	**(1,330)**	(1,313)
Capitalisation of depreciation on leasehold land during construction and development phase of project	**(319)**	(315)
	24,768	22,971

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

1 GENERAL INFORMATION

The financial statements of the Company and of the Group for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is incorporated as a limited liability company and domiciled in Singapore.

The registered office is located at 541 Orchard Road #16-00, Liat Towers, Singapore 238881.

The immediate and ultimate holding company is Goldvein Holdings Pte. Ltd., a company incorporated in Singapore.

2(a) BASIS OF PREPARATION

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars which is the Company's functional currency. All the financial information is presented in thousands of Singapore Dollars ("$'000"), unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and area involving a high degree of judgement are described below.

Significant judgements in applying accounting policies

Income tax (Notes 12 and 29)

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement 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.

2(a) **BASIS OF PREPARATION (CONT'D)**

Significant judgements in applying accounting policies (cont'd)

Deferred taxation on investment properties (Note 12)

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under the business model whose objective is to consume substantially all of the economic benefits embodied the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties as the Group, is not subject to any income taxes on the fair value changes of the investment properties on disposal except for the investment properties in Tunisia which are subjected to a capital gain tax of 30%.

As the management believes that the tax positions are sustainable, the Group has not recognised any additional tax liability on these uncertain positions.

Going concern

Notwithstanding the Company and the Group have a total assets of $596,191,000 (2014 – $1,016,600,000) and the net Group cash has generated from operating activities of $45,186,000 (2013 – $36,980,000), as at 31 December 2014, the Company and the Group's current liabilities exceeded the current assets by $94,322,000 (2013 – $99,858,000) and $23,241,000 (2013 – $23,337,000) respectively. The negative working capital is due to the Group's treasury management of utilising short term financing which carried a lower interest costs to finance its long term capital commitments. The Company and the Group manage the liquidity risk by ensuring there are sufficient cash and marketable securities to meet all their normal operating commitments in a timely and cost-effective manner, having adequate amount of credit facilities and the ability to close market positions at short notice.

At the end of the reporting period, the undrawn credit facilities is $170,600,000 (2013 – $182,140,000) whilst the fair value of the marketable securities is $31,571,000 (2013 – $35,808,000). The financial statements have been prepared on a going concern basis based on the above factors as well as the Group remaining profitable with a net profit after taxation of $35,080,000 in the financial year ended 31 December 2014 (2013 – $56,761,000).

Critical accounting estimates and assumptions used in applying accounting policies

Revaluation of investment properties and property, plant and equipment (Note 4)

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss.

The fair values of investment properties are determined by independent real estate valuation experts using recognised valuation techniques. These techniques comprise both the Income Method and the Direct Market Comparison Method.

The determination of the fair values of the investment properties require the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams and the overall repair and condition of the property) and capitalisation rates applicable to those assets. These estimates are based on local market conditions existing at the end of each reporting date.

2(a) BASIS OF PREPARATION (CONT'D)

Critical accounting estimates and assumptions used in applying accounting policies (cont'd)

Revaluation of investment properties and property, plant and equipment (Note 4) (cont'd)

The carrying amount and key assumptions used to determine the fair value of the investment properties are further explained in Note 41.2. If the capitalisation rates used in the valuation had been 0.5% higher or lower than management's estimate, the carrying amount of the investment properties would have been $2,104,000 (2013 – $2,057,000) lower or $2,126,000 (2013 – $2,078,000) higher.

Depreciation of property, plant and equipment (Note 5)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within 1 to 50 years. The carrying amount of the Company's and the Group's property, plant and equipment as at 31 December 2014 are $Nil (2013 – $Nil) and $398,425,000 (2013 – $385,686,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. If depreciation on property, plant and equipment increases/decreases by 10% from management, the Group's profit for the year will decrease/increase by approximately $1,724,000 (2013 – $1,615,000).

Impairment in investment in subsidiaries (Note 6)

Determining whether investment in subsidiaries is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates. If present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by $4,053,000 (2013 – $4,363,000). The carrying amount of the investment in subsidiaries is disclosed in Note 6 to the financial statements.

Allowance for inventory obsolescence (Note 13)

The Group reviews the ageing analysis of inventories at each reporting date, and makes provision for obsolete and slow moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

If the net realisable value of the inventory increase/decrease by 10% from management's estimates, the Group's profit will decrease/increase by $428,000 (2013 – $414,000). The carrying amount of the inventory is disclosed in Note 13 to the financial statements.

Impairment of loans and receivables (Note 15)

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 15 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 $213,000 (2013 – increase by $108,000).

2(a) BASIS OF PREPARATION (CONT'D)

Critical accounting estimates and assumptions used in applying accounting policies (cont'd)

Gratuity on retirement (Note 23)

The present value of the post-employment pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate and salary increase. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have a tenure approximating the tenure of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions.

If the discount rate used differs by 1% from management's estimates, the carrying amount of pension obligations will be an estimated $618,000 (2013 – $584,000) higher or $450,000 (2013 – $460,000) lower.

If the salary increase used differs by 1% from management's estimates, the carrying amount of pension obligations will be an estimated $448,000 (2013 – $458,000) lower or $620,000 (2013 – $585,000) higher.

Provision for dismantlement and restoration (Note 22)

The Group has recognised a provision for dismantlement and restoration obligations associated with a leased land. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove plant from the site and the expected timing of those costs. The carrying amount of the provision as at 31 December 2014 was $740,000 (2013 – $Nil). If the estimated pre-tax discount rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been lower by $105,880 (2013 – $Nil).

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2(b) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2014

On 1 January 2014, the Group adopted the new or amended FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. This includes the following FRSs which are relevant to the Group.

Reference	Description
Revised FRS 27	Separate Financial Statements
FRS 110	Consolidated Financial Statements
FRS 112	Disclosure of Interests in Other Entities
Amendments to FRS 110, FRS 112, FRS 27	Investment Entities
INT FRS 121	Levies

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

FRS 110 Consolidated Financial Statements and Revised FRS 27 Separate Financial Statements

FRS 110 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 110 will require management to exercise significant judgement to determine whether entities are controlled and therefore are required to be consolidated by the Group, compared with the requirements that were in FRS 27. Therefore, FRS 110 may change which entities are consolidated within a group. The revised FRS 27 was amended to address accounting for subsidiaries, jointly controlled entities and associates in the separate financial statements.

The Group has reassessed of which entities the Group controls and there are no resulting changes required.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 is a new standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements.

As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when applied in.

2(b) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2014 (CONT'D)

INT FRS 121 Levies

The interpretation provides guidance on accounting for levies in accordance with the requirements of FRS 37 Provisions, Contingent Liabilities and Contingent Assets.

The interpretation confirms that an entity recognises a liability for a levy when the obligating event specified in the legislation occurs. An entity does not recognise a liability at an earlier date, even if it has no realistic opportunity to avoid the triggering event. The interpretation also provides guidance on how to recognise a liability depending on when the triggering event occurs.

The amendments are to be applied retrospectively. Earlier application is permitted.

The adoption of amended above standards does not have any material impact on the basic and fully diluted EPS of the Group.

2(c) FRS ISSUED BUT NOT YET EFFECTIVE

The following are the new or amended FRS issued which are relevant to the Group but are not yet effective and may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 115	Revenue from Contracts with Customers	1 January 2017
FRS 109	Financial Instruments	1 January 2018
Amendments to FRS 19	Defined Benefit Plan: Employee Contribution	1 July 2014
Improvements to FRSs (January 2014)		1 July 2014
FRS 24	Related Party Transaction	
FRS 108	Operating Segments	
Improvements to FRSs (February 2014) FRS 40	Investment Property	1 July 2014

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption, except for the following:

2(c) FRS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

FRS 115 – Revenue from Contracts with Customers

FRS 115 Revenue from Contracts with Customers requires the entity to recognise revenue which depict transfer of promised goods or services to customers in an amount that reflects the consideration (payment) to which the entity expects to be entitled in exchange for those goods or services. FRS 115 is effective for annual periods beginning on or after 1 January 2017. The Group is currently assessing the impact to the financial statements.

FRS 109 – Financial Instruments

FRS 109 Financial Instruments replaces FRS 39 and it is a package of improvements introduced by FRS 109 includes a logical model for classification and measurement, a single forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements.

Amendments to FRS 19 – Defined Benefit Plan: Employee Contribution

These narrow-scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

The amendments are to be applied retrospectively. The Group is currently assessing the impact to the financial statements.

Improvements to FRSs (January 2014) Related Party Disclosures

Improvements to FRSs (January 2014) Related Party Disclosures clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The improvements to FRSs (January 2014) FRS 24 Related Party Disclosures are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Company when implemented.

2(c) FRS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Improvements to FRSs (January 2014) Operating Segments

The Improvements to FRSs (January 2014) Operating Segments clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. In addition, the entity is required to disclose the judgements made by management in applying the aggregation criteria to operating segments. As this is a disclosure standard, it will not have any impact on the financial statements.

2(d) SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year. Information on its subsidiaries is given in Note 6.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Consolidation (cont'd)

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business combination comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Club memberships

The club memberships are assessed as having indefinite useful lives as the contracts are open ended and there is no forseeable limit to the period over which the memberships are expected to generate cash to the Group. The club memberships are tested for impairment annually and carried at cost less accumulated impairment losses.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. No depreciation is provided on freehold land and construction-in-progress. Depreciation is calculated using the straight-line method to allocate their depreciable amount over their useful lives as follows:

Buildings on freehold land	10 – 50 years
Leasehold land and buildings	Over remaining lease period
Plant, equipment and containers	5 – 20 years
Furniture, fittings, office equipment and renovations	3 – 10 years
Motor vehicles	5 – 10 years
Computers	3 – 7 years
Store fittings, equipment and appliances	5 – 7 years
Hotel operating assets	1 – 10 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment and depreciation (cont'd)

During the financial year, the Group reviewed the estimated useful lives of the property, plant and equipment. This review indicated that the actual lives of motor vehicles were longer than the estimated useful lives used for depreciation purposes in the financial statements. As a result, the expected useful lives of these motor vehicles are revised from 5 years to 10 years to better reflect the estimated periods during which these assets will remain in service. The revision in estimate has been applied on a prospective basis from 1 January 2014. The effect of the above revision on depreciation charge in current and future periods are as follows:

	2014 $'000	2015 $'000	2016 $'000	2017 $'000	2018 $'000	Later $'000
(Decrease)/Increase in depreciation expense	(29)	(42)	(42)	(33)	(18)	164

Investment properties

Investment properties include those portions of office buildings that are held for long term rental yields and/or capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use, and where an insignificant portion is held for the Group's own occupation.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers based on the highest-and-best-use basis. Changes in fair values are recognised in the profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off in profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

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. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Long-term prepayments

Long-term prepayments comprising prepaid land lease expenses are charged to profit or loss on a straight-line basis over the lease term. The lease term ranges between 25 and 50 years.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: Financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offsetted and the net amount presented in the statement of financial position when, and only when, the Company and the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. In addition, derivative financial instruments that do not qualify for hedge accounting are classified as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed date of maturity that the Group has the positive intent and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables, related party balances and deposits held in banks. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or writeback is recognised in profit or loss.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in profit or loss for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the profit or loss even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed in profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of reporting period.

2(d) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the end of reporting period. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

When the fair value of unquoted investments cannot be measure reliably, fair value is determined by the transaction price.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost method, and includes all costs in bringing the inventories to their present location and condition.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of any pledged bank deposits and bank overdrafts which are repayable on demand and which form an integral part of cash management. Bank overdrafts are presented as current borrowings on the statements of financial position.

2(d) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Non-current assets held-for-sale and discontinued operations

Non-current assets are classified as assets held-for-sale and carried at lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less cost to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

If the criteria to classify as held-for-sale are no longer met, the assets, or disposal group, are remeasured at the lower of the carrying amount before the classification as held-for-sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the assets or disposal group not been classified as held-for-sale, and the recoverable amount at the date of the subsequent decision not to sell.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

a) represents a separate major line of business or geographical area of operations; or

b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

c) is a subsidiary acquired exclusively with a view to resale.

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

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividend. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

2(d) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and related party balances.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

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

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

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

Borrowings which are due to be settled within 12 months after the end of reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statement of financial position.

Trade and other payables

Trade and other payables and related party balances are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Finance lease liabilities are measured at initial value less the capital element of lease repayments (see policy on finance leases).

2(d) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Provisions

Provisions are recognised when the Company and the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The provision for dismantlement and restoration is based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value. Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

A provision for levies is recognised when the condition that triggers the payment of the levy is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Leases

Where the Group is the lessee,

<u>Finance leases</u>

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "Property, plant and equipment".

<u>Operating leases</u>

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term, except for lease payments during the construction and development phase of a development are capitalised to construction-in-progress under property, plant and equipment on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

2(d) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (cont'd)

Where the Group is the lessor,

Operating leases

Assets leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

2(d) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Employee benefits

Pension obligations

The Company and the Group participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations and defined benefit plan (gratuity on retirement). In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to the profit or loss in the period to which the contributions relate.

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of a defined benefit pension plan is the present value of the defined benefit obligations at the reporting date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain senior executives are considered key management personnel.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

   iii) both entities are joint ventures of the same third party.

   iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

   v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

   vi) the entity is controlled or jointly controlled by a person identified in (a);

   vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related parties may be individuals or corporate entities.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not available for us are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition

Revenue comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts, and after eliminating sales within the Group. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

The Group recognises revenue when the specific criteria for each of the Group's activities are met as follows:

Sale of goods

Revenue from sales of goods is recognised when a Group entity has delivered to locations specified by its customers and the customers have accepted the goods.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Rendering of services

Revenue from services, hotel and restaurant operations is recognised when services are rendered.

Dividend income

Dividend income from investment is recognised gross when the right to receive the dividend has been established.

Interest income

Interest income is recognised on a time-apportioned basis using the effective interest method.

Rental income

Rental and related income from investment properties are recognised on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of total lease income. Penalty payments on early termination, if any, are recognised when incurred. These leases are for terms of two or three years with options to review at market rates thereafter.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore Dollars, which is also the functional currency of the Company.

2(d) **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Group entities

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of reporting period of that statement of financial position;

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency fluctuation reserve.

Operating segments

For management purposes, operating segments are organised 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 are directly accountable to the Managing Director who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

3 PRINCIPAL ACTIVITIES AND REVENUE

The principal activities of the Company consist of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are as stated in Note 6.

Revenue of the Group consists of revenue from sale of goods and services, rental income and dividend income. Significant categories of revenue, excluding inter-company transactions and applicable goods and services tax, are detailed as follows:

The Group	2014 $'000	2013 $'000
Rental	**26,093**	25,924
Hotel	**112,352**	105,872
Industrial	**57,696**	51,693
Investment	**570**	476
	196,711	183,965

Revenue from rental include rental of properties net of incentive cost, service and air-conditioning charges and parking fees, excluding applicable goods and services tax.

Revenue from hotel operations include all income and proceeds from sales of every kind resulting from the operation of the hotel and all of the facilities therein and is recognised as and when goods and services are provided.

Revenue from industrial include invoiced value of services rendered in the collection and disposal of waste, repair of waste compactors and cleaning services rendered to customers.

Revenue from investment include securities trading and investment holding.

4 INVESTMENT PROPERTIES

The Group	2014 $'000	2013 $'000
At beginning of year	**485,159**	449,557
Exchange difference on translation	**(1,046)**	(177)
Acquisition during the year	**159**	54
Replaced components of improvements written off (Note 28)	**(122)**	(22)
Net fair value gain recognised in profit or loss (Notes 25 and 28)	**12,957**	35,747
At end of year	**497,107**	485,159

(a) Investment properties are carried at fair values at the end of reporting period as determined by independent professional valuers, DTZ Debenham Tie Leung (SEA) Pte Ltd, on 13 January 2015 and Derouiche Fadhel Architent Expert on 31 December 2014. Valuations are made at least annually based on the direct market comparison method and income method in determining the open market values.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income method involves capitalising the annual net rent at an appropriate interest rate after taking into account the property tax payable and an allowance for vacancy.

4 INVESTMENT PROPERTIES (CONT'D)

At each financial year end, the Group's finance department:

– Verifies all major inputs to the independent valuation report;

– Assesses property valuation movements when compared to prior year valuation report; and

– Holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the audit committee meetings.

Further details of fair value measurement are disclosed in Note 41.2.

(b) The investment properties all held by either the Company or by wholly-owned subsidiaries comprise:

Location	Description	Area sq. metres	Tenure
541 Orchard Road, Singapore *	21-storey commercial/office building and land	19,209.04	Freehold
Golden Village (Yishun Ten) Complex at 51 Yishun Central 1, Singapore *	8 leasehold shop units	666	99 years lease commencing 1 April 1990
Block 829 Tampines Street 81, Singapore *	1 leasehold shop unit	354	91 years lease commencing 1 April 1994
243/A Holland Avenue, Singapore *	1 retail shop unit	325	Freehold
220 Orchard Road, Midpoint Orchard, Singapore *	2 retail shop units	246	Freehold
Golden Village (Yishun Ten) Complex at 51 Yishun Central 1, Singapore *	1 leasehold shop unit	300	99 years lease commencing 1 April 1990
Zone Touristique Gammarth La Marsa, Tunisia	2-storey commercial building and land	7,950	Freehold

* held by wholly-owned subsidiaries

(c) Freehold properties at 541 Orchard Road, Singapore is mortgaged for bank borrowings and bank guarantees (Notes 21.2(iii) and 34).

(d) The investment properties are leased to non-related parties under operating leases (Note 33.2(ii)).

(e) The following amounts are recognised in profit or loss:

The Group	2014 $'000	2013 $'000
Rental income	**26,093**	25,924
Direct operating expenses arising from investment properties that generated rental income	**4,956**	5,302

5 PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant, equipment and containers $'000
Cost			
At 1 January 2013	243,098	153,924	47,751
Exchange difference on translation	(864)	4,674	67
Additions	379	954	4,837
Transfers and reclassification	–	(5,059)	5,721
Disposals	–	(11)	(1,162)
At 31 December 2013	**242,613**	**154,482**	**57,214**
Exchange difference on translation	**(3,497)**	**1,580**	**(766)**
Additions	**381**	**7,471**	**2,375**
Transfers and reclassification	**–**	**3,624**	**943**
Disposals	**–**	**(367)**	**(2,258)**
At 31 December 2014	**239,497**	**166,790**	**57,508**
Accumulated depreciation			
At 1 January 2013	60,711	13,666	36,398
Exchange difference on translation	(229)	553	(140)
Depreciation	4,342	3,535	2,707
Disposals	–	(1)	(1,009)
At 31 December 2013	**64,824**	**17,753**	**37,956**
Exchange difference on translation	**(1,086)**	**22**	**(760)**
Depreciation	**4,242**	**4,007**	**2,849**
Disposals	**–**	**(367)**	**(2,082)**
At 31 December 2014	**67,980**	**21,415**	**37,963**
Net book value			
At 31 December 2014	**171,517**	**145,375**	**19,545**
At 31 December 2013	177,789	136,729	19,258

Furniture, fittings, office equipment and renovations $'000	Motor vehicles $'000	Computers $'000	Store fittings, equipment and appliances $'000	Hotel operating assets $'000	Construction-in-progress $'000	Total $'000
80,660	12,886	5,085	239	13,834	14,786	572,263
826	4	77	(4)	193	(233)	4,740
293	7,870	40	–	2	10,591	24,966
11,603	1	67	–	111	(12,444)	–
(85)	(572)	(1,737)	–	–	–	(3,567)
93,297	**20,189**	**3,532**	**235**	**14,140**	**12,700**	**598,402**
(551)	**(93)**	**(4)**	**(18)**	**(200)**	**925**	**(2,624)**
1,644	**1,507**	**59**	**–**	**22**	**17,572**	**31,031**
911	**63**	**176**	**–**	**127**	**(5,844)**	**–**
(1,464)	**(3,416)**	**–**	**–**	**(499)**	**–**	**(8,004)**
93,837	**18,250**	**3,763**	**217**	**13,590**	**25,353**	**618,805**
64,566	8,845	4,230	94	10,199	–	198,709
478	(16)	56	(2)	190	–	890
3,690	1,420	318	24	426	–	16,462
(50)	(555)	(1,730)	–	–	–	(3,345)
68,684	**9,694**	**2,874**	**116**	**10,815**	**–**	**212,716**
(552)	**(88)**	**2**	**(10)**	**(191)**	**–**	**(2,663)**
4,330	**1,530**	**345**	**23**	**232**	**–**	**17,558**
(1,463)	**(3,307)**	**–**	**–**	**(12)**	**–**	**(7,231)**
70,999	**7,829**	**3,221**	**129**	**10,844**	**–**	**220,380**
22,838	**10,421**	**542**	**88**	**2,746**	**25,353**	**398,425**
24,613	10,495	658	119	3,325	12,700	385,686

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Motor vehicles $'000	Computers $'000	Total $'000
Cost			
At 1 January 2013, 31 December 2013 and 31 December 2014	**707**	**1**	**708**
Accumulated depreciation			
At 1 January 2013	648	1	649
Depreciation	59	–	59
At 31 December 2013 and 31 December 2014	**707**	**1**	**708**
Net book value			
At 31 December 2014	–	–	–
At 31 December 2013	–	–	–

Depreciation expense

	The Company		The Group	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Depreciation expense charged to:				
Profit or loss	**–**	59	**17,239**	16,147
Construction-in-progress	**–**	–	**319**	315
	–	59	**17,558**	16,462

(a) Freehold land and buildings comprise:

(i) A hotel with a land area of 7,178 square metres at 39 Scotts Road, Singapore;

(ii) A hotel with a land area of 8 hectares in Tunis, Tunisia; and

(iii) Golf course and clubhouse with a land area of about 112 hectares in Tunis, Tunisia.

All the freehold land and buildings are held by wholly-owned subsidiaries except for the Tunisian properties which are held by Singapore Tunisian Investment Company (Note 6) and Singapore Tunisian Investment Company Immobiliere (Note 6).

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Leasehold land and buildings comprise:

(i) Hotel building in Mauritius. The lease on the land with an area of approximately 54,910 square metres where the hotel building is residing will expire on 18 July 2068;

(ii) Leasehold land of PT. Bintan Vista. The land is located in the resort area of Galang Batang, Island Provinsi Kepulauan Riau, Indonesia and within a free trade zone. It is approximately 729,715 square metres with tenure of approximately 30 years commencing between 29 December 2006 and 20 November 2008 and expires between 28 December 2036 and 19 November 2038;

(iii) Resort hotel in Zanzibar, on a land area of 321,270 square metres. It is leased for 49 years from 5 February 2007 and expires on 4 February 2056; and

(iv) Resort hotel in Maldives on the island of Falhumaafushi, in Huvadhoo Atoll, on a land area of 77,600.22 square metres. It is leased for 25 years from 26 February 2008. The lease has since been extended for another 25 years and expires on 25 February 2058.

(v) A single storey detached factory on the leasehold land with an area of 8,854 square metres at 8 Tuas South Street 13.

All the leasehold land and buildings are held by wholly-owned subsidiaries.

(c) Freehold land and buildings and equipment with a net book value of $176,071,000 (2013 – $182,565,000) are mortgaged for bank borrowings and bank guarantees (Note 21.2 and 34).

(d) Included within additions in the consolidated financial statements are plant and equipment and motor vehicles acquired under finance leases amounting to $Nil (2013 – $2,820,000) and $582,000 (2013 – $6,117,000) respectively.

The net book value of plant and equipment and motor vehicles acquired under finance leases for the Group amounted to $2,679,000 (2013 – $2,992,000) and $6,245,000 (2013 – $6,327,000) respectively (Note 21.1) at the date of the statement of financial position.

6 SUBSIDIARIES

The Company	2014 $'000	2013 $'000
Quoted equity investments, at cost	**17,335**	17,335
Unquoted equity investments, at cost	**326,476**	326,476
	343,811	343,811
Amounts owing by subsidiaries on long-term loan account	**226,156**	201,048
	569,967	544,859
Less: Accumulated impairment losses		
Balance at beginning	**(43,625)**	(26,175)
Impairment charge	**–**	(17,450)
Reversal of impairment	**3,094**	–
Balance at end	**(40,531)**	(43,625)
	529,436	501,234

The amounts owing by subsidiaries on long-term loan account are an extension of the Company's net investment in the subsidiaries. These are unsecured, interest-free and are not expected to be repaid within one year.

A reversal of impairment charge to its recoverable amounts which is estimated to approximate the net worth of equity investments in certain subsidiaries amounting to $3,094,000 was included in the Company's profit or loss. The reversal of impairment charge relating to equity investments was based on fair value less costs to sell of the related subsidiaries due to their improved financial performance.

In the financial year ended 31 December 2013, the Company recognised impairment losses of $17,450,000 on its investments in certain subsidiaries to reflect their recoverable amounts which were based on fair value less costs to sell.

The market value of quoted equity investments as at 31 December 2014 was $27,722,000 (2013 - $17,784,000).

The subsidiaries are:

	Name	Country of incorporation/ and operation	Cost of investments		Proportion of ownership interest and voting rights held by the Group		Proportion of ownership interest and voting rights held by non-controlling interests		Principal activities
			2014 $'000	2013 $'000	2014 %	2013 %	2014 %	2013 %	
	Held by the Company								
1	Bonfresh Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
1	Bonvests Trading Pte Ltd	Singapore	**5**	5	**100**	100	**–**	–	Investment holding
1	Cavendish Realty Pte Ltd	Singapore	**4,121**	4,121	**100**	100	**–**	–	Property developer
1	Colex Compost Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Dormant
1	Colex Holdings Limited	Singapore	**17,335**	17,335	**78.9**	78.9	**21.1**	21.1	Investment holding; business and management consultancy services

6 SUBSIDIARIES (CONT'D)

The subsidiaries are: (cont'd)

	Name	Country of incorporation/ and operation	Cost of investments		Proportion of ownership interest and voting rights held by the Group		Proportion of ownership interest and voting rights held by non-controlling interests		Principal activities
			2014 $'000	2013 $'000	2014 %	2013 %	2014 %	2013 %	
	Held by the Company (cont'd)								
1	Coop International Pte Ltd	Singapore	**10,064**	10,064	**100**	100	**–**	–	Investment holding and securities trading
1	Hygienic Services Pte Ltd	Singapore	**1,285**	1,285	**100**	100	**–**	–	Dormant
1	Magnificent Developments Pte Ltd	Singapore	**20,000**	20,000	**100**	100	**–**	–	Property developer
2	Belle Mare Beach Development Company Limited	Mauritius	**2,186**	2,186	**100**	100	**–**	–	Hotel developer
1	The Residence Hotels & Resorts Management Pte Ltd	Singapore	**30,000**	30,000	**100**	100	**–**	–	Public relations consultancy services and sales and marketing support services
3	Richvein Pte Ltd	Singapore	**143,537**	143,537	**100**	100	**–**	–	Hoteliers
1	The Residence Hotels & Resorts Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Hotel and resorts management and operation
1	The Residence Hotels & Resorts Management Services Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
1	Bonforte Investments Pte Ltd	Singapore	**3,600**	3,600	**100**	100	**–**	–	Investment holding
1	Bonsworth Developments Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
1	Upfront Developments Pte Ltd	Singapore	**1,000**	1,000	**100**	100	**–**	–	Property developer
1	International Real Estate Corporation (Private) Limited	Singapore	**112**	112	**100**	100	**–**	–	Investment holding

6 SUBSIDIARIES (CONT'D)

The subsidiaries are: (cont'd)

	Name	Country of incorporation/ and operation	Cost of investments		Proportion of ownership interest and voting rights held by the Group		Proportion of ownership interest and voting rights held by non-controlling interests		Principal activities
			2014	**2013**	**2014**	**2013**	**2014**	**2013**	
			$'000	**$'000**	**%**	**%**	**%**	**%**	
	Held by the Company (cont'd)								
1	Bon-Food Pte Ltd	Singapore	**22,753**	22,753	**100**	100	**–**	–	Property investment
1	Bonvests Investments Pte Ltd	Singapore	**758**	758	**100**	100	**–**	–	Investment holding
1	Goldvein Pte Ltd	Singapore	**75,155**	75,155	**100**	100	**–**	–	Property investment
1	Goldvein Trading Pte Ltd	Singapore	**5,000**	5,000	**100**	100	**–**	–	Property investment
1	Update Investments Pte Ltd	Singapore	**660**	660	**100**	100	**–**	–	Property investment
1	Essential Investments Pte Ltd	Singapore	**6,240**	6,240	**100**	100	**–**	–	Property investment
1	Goldprime Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
1	Goldview Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
1	Goldpoint Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
1	Bonswiss Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Dormant
1	Cenizaro Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Dormant
3	Henrick (Singapore) Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Dormant

6 SUBSIDIARIES (CONT'D)

The subsidiaries are: (cont'd)

	Name	Country of incorporation/ and operation	Cost of investments		Proportion of ownership interest and voting rights held by the Group		Proportion of ownership interest and voting rights held by non-controlling interests		Principal activities
			2014 $'000	2013 $'000	2014 %	2013 %	2014 %	2013 %	
	Held by Bonvests Trading Pte Ltd								
4	PT. Bintan Vista	Indonesia	**–**	–	**100**	100	**–**	–	Hotel and resorts management and operation
	Held by Colex Holdings Limited								
1	Integrated Property Management Pte Ltd	Singapore	**–**	–	**78.9**	78.9	**21.1**	21.1	Contract cleaning
1	Colex Environmental Pte Ltd	Singapore	**–**	–	**78.9**	78.9	**21.1**	21.1	Provider of waste management services, namely waste disposal services to commercial, industrial and residential properties and other waste disposal related businesses
1, 8	Claridges Pte Ltd	Singapore	**–**	–	**78.9**	78.9	**21.1**	21.1	Investment holding

6 SUBSIDIARIES (CONT'D)

The subsidiaries are: (cont'd)

	Name	Country of incorporation/ and operation	Cost of investments		Proportion of ownership interest and voting rights held by the Group		Proportion of ownership interest and voting rights held by non-controlling interests		Principal activities
			2014 $'000	2013 $'000	2014 %	2013 %	2014 %	2013 %	
	Held by Bonforte Investments Pte Ltd								
1	Brooklyn Bagels Pte Ltd	Singapore	**–**	–	**100**	100	**–**	–	Dormant
1	Bonconcept Restaurants Pte Ltd	Singapore	**–**	–	**100**	100	**–**	–	Dormant
	Held by Bonsworth Developments Pte Ltd								
6	Bonaventure (Maldives) Pvt Ltd	Maldives	**–**	–	**100**	100	**–**	–	Investment, operation and management of resorts, hotels, spas and food and beverage outlets
	Held by Goldpoint Pte Ltd								
6	Bonavista (Maldives) Pvt Ltd	Maldives	**–**	–	**100**	100	**–**	–	Owning, operating and managing tourist resorts and hotels, investment in tourism related businesses and construction and development of airport
	Held by Goldview Pte Ltd								
7	Hotel & Property Development (Kendwa) Limited	Zanzibar	**–**	–	**100**	100	**–**	–	Development and management of a tourist resort

6 SUBSIDIARIES (CONT'D)

The subsidiaries are: (cont'd)

	Name	Country of incorporation/ and operation	Cost of investments		Proportion of ownership interest and voting rights held by the Group		Proportion of ownership interest and voting rights held by non-controlling interests		Principal activities
			2014 $'000	2013 $'000	**2014 %**	2013 %	**2014 %**	2013 %	
	Held by Goldprime Pte Ltd								
5	Singapore Tunisian Investment Company	Tunisia	**–**	–	**98.0**	96.6	**2.0**	3.4	Development and promotion of hotel trade, tourism and watering places
5	Singapore Tunisian Investment Company Immobiliere	Tunisia	**–**	–	**98.0**	96.6	**2.0**	3.4	Property developer
5	Singapore Tunisian Investment Company Douz	Tunisia	**–**	–	**98.0**	96.6	**2.0**	3.4	Construction, development, purchase, sale, hiring and operation of hotels and hotels' facilities
5	Singapore Tunisian Investment Company Medina	Tunisia	**–**	–	**98.0**	96.6	**2.0**	3.4	Engage in construction, developing, purchase, sale, hiring and operation of hotels and hotels' facilities, thermal facilities, restaurants, bars, casinos, stores, stands, thalassotherapy center in Tunis
			343,811	343,811					

1 Audited by Foo Kon Tan LLP
2 Audited by PricewaterhouseCoopers, Mauritius
3 Audited by Ernst & Young, Singapore
4 Audited by Kap Achmad, Rasyid, Hisbullah & Jerry, Indonesia
5 Audited by KPMG, Tunisia
6 Audited by Ernst & Young, Maldives
7 Audited by Crowe Horwath, Tanzania
8 Incorporated on 14 March 2014 with a share capital of $2
&& Represents amount less than $500.

6 SUBSIDIARIES (CONT'D)

Acquisition of non-controlling interests

On 9 December 2014, the Company through its wholly-owned subsidiary, Goldprime Pte Ltd ("Goldprime") acquired an additional 1.45% equity interest in Singapore Tunisian Investment Company ("STIC") from its non-controlling interests for a cash consideration of $1,079,000. As a result of the acquisition, Goldprime now holds 98.00% of the issued and paid up capital in STIC. The carrying value of the net assets of STIC at 9 December 2014 was $26,254,000 and the carrying amount of the non-controlling interest acquired was $380,000. The difference of $699,000 between the consideration and the carrying value of the additional interest acquired had 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 STIC on the equity attributable to owners of the Company:

The Group	2014 $'000
Consideration paid for acquisition of non-controlling interests	**1,079**
Carrying amount of non-controlling interests acquired	**(380)**
Excess of consideration paid recognised in parent's equity (Note 20(iv))	**699**

The carrying amounts of the controlling and non-controlling interests were adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests were adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

There were no transactions with non-controlling interests for the financial year ended 31 December 2014.

<u>Summarised balance sheet</u>

	Colex Holdings Limited and its subsidiaries as at 31 December		Singapore Tunisian Investment Company and its subsidiaries as at 31 December	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current				
Assets	**16,411**	16,758	**12,414**	14,624
Liabilities	**(9,567)**	(8,007)	**(10,068)**	(10,363)
Total current net assets	**6,844**	8,751	**2,346**	4,261
Non-current				
Assets	**21,087**	17,628	**50,021**	51,535
Liabilities	**(3,567)**	(5,610)	**(25,322)**	(24,422)
Total non-current net assets	**17,520**	12,018	**24,699**	27,113
Net assets	**24,364**	20,769	**27,045**	31,374

6 SUBSIDIARIES (CONT'D)

Summarised financial information of subsidiaries with material non-controlling interests (cont'd)

Summarised income statement

	Colex Holdings Limited and its subsidiaries for the year ended 31 December		Singapore Tunisian Investment Company and its subsidiaries for the year ended 31 December	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	**59,972**	53,560	**17,144**	17,500
Expenses	**(55,158)**	(50,426)	**(19,019)**	(17,848)
Profit before income tax	**4,814**	3,134	**(1,875)**	(348)
Income tax expense	**(557)**	(406)	**(14)**	(862)
Profit after tax	**4,257**	2,728	**(1,889)**	(1,210)
Other comprehensive income*	**–**	–	**(2,228)**	(588)
Total comprehensive income	**4,257**	2,728	**(4,117)**	(1,798)
Total comprehensive income allocated to non-controlling interests	**897**	574	**(142)**	(62)
Dividends paid to non-controlling interests	**140**	140	**–**	–

*Other comprehensive income relates to currency translation differences arising from the consolidation.

6 SUBSIDIARIES (CONT'D)

Summarised financial information of subsidiaries with material non-controlling interests (cont'd)

Summarised cash flows

	Colex Holdings Limited and its subsidiaries for the year ended 31 December		Singapore Tunisian Investment Company and its subsidiaries for the year ended 31 December	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Cash flows from operating activities				
Cash generated from operations	**8,346**	6,240	**17**	(1,877)
Interest received	**–**	2	**–**	–
Income tax refund	**–**	–	**102**	249
Income tax paid	**(456)**	(279)	**–**	–
Net cash generated from/(used in) operating activities	**7,890**	5,963	**119**	(1,628)
Net cash used in investing activities	**(4,800)**	(5,670)	**(2,937)**	(2,580)
Net cash (used in)/generated from financing activities	**(3,874)**	(1,931)	**1,179**	4,165
Net decrease in cash and cash equivalents	**(784)**	(1,638)	**(1,639)**	(43)
Cash and cash equivalents at beginning of year	**7,429**	9,067	**9,110**	9,401
Exchange loss on cash and cash equivalents	**–**	–	**(548)**	(248)
Cash and cash equivalents at end of year	**6,645**	7,429	**6,923**	9,110

6(a) Intangible assets

The Group	**2014 $'000**	**2013 $'000**
Cost		
At 31 December 2013	**–**	232
Write-off	**–**	(232)
At 31 December 2014	**–**	–
Net book value	**–**	–

The intangible assets represent goodwill arising on consolidation of subsidiaries.

Goodwill amounting to $Nil (2013 – $232,000) was written off during the financial year 2013. Goodwill was written off upon full impairment of the goodwill relating to the hotel segment in Zanzibar due to indicators of impairment.

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group	2014 $'000	2013 $'000
At 31 December 2013	**32,532**	11,145
Additions	**3,669**	6,277
Disposals	**–**	–
Fair value (losses)/gains recognised in other comprehensive income (Note 20(i))	**(8,291)**	15,110
At 31 December 2014	**27,910**	32,532
Available-for-sale financial assets measured at fair value are analysed as follows:		
Quoted equity investments – Singapore	**27,910**	32,532

The fair value of quoted equity investments is determined by reference to Singapore Exchange Securities quoted prices. Available-for-sale financial assets are denominated in Singapore Dollar.

8 HELD-TO-MATURITY FINANCIAL ASSET

Unquoted debt instrument which have a maturity value of $1,000,000 represents fixed rated coupon bonds, with an effective interest of 5.09% per annum and mature on 30 October 2017. The Group receives related interest payments semi-annually in April and October. Management does not identify any potentially significant financial risk exposure.

The carrying amounts and fair values of the debt instruments at the end of the reporting period are as follows:

	2014		2013	
	Carrying amounts $'000	Fair values $'000	Carrying amounts $'000	Fair values $'000
Unquoted debt instruments	**995**	**865**	–	–

As the unquoted debt instruments are not publicly traded, the fair values presented are determined by calculating present values of the cash flows anticipated until maturity of these financial assets. The underlying interest rate was determined by reference to an active market interest rate for an equivalent debt instrument as at the end of reporting period, as follows:

The Group	2014	2013
Unquoted debt instruments	**4.95%**	–

Held-to-maturity financial asset are denominated in Singapore Dollar.

9 CLUB MEMBERSHIPS

The Group and The Company	2014 $'000	2013 $'000
Club memberships with indefinite life, at cost	**131**	131
Market value of club memberships	**111**	129

In the opinion of the directors of the Company, the book value of the club memberships approximates its fair value. No further adjustment has been made to reflect the book value to the fair value as the directors deem the adjustments as immaterial.

10 RENTAL LEASE RECEIVABLES

The Group	2014 $'000	2013 $'000
Due after 1 year	**665**	229
Due within 1 year (Note 15)	**276**	166
	941	395

Rental lease incentives represent the aggregate cost of incentives provided to the lessees (Note 33.2(ii)) and are recognised as a reduction of rental income receivable over the lease term, on the straight-line basis.

11 LONG-TERM PREPAYMENTS

The Group	2014 $'000	2013 $'000
Long-term prepayments comprise:		
Prepayments for construction of hotel resorts	**19,260**	–
Lease rent prepayments due after 1 year	**10,378**	10,063
	29,638	10,063
Lease rent prepayments:		
Due after 1 year	**10,378**	10,063
Due within 1 year (Note 15)	**1,758**	1,686
	12,136	11,749
Lease rent prepayments:		
Balance at beginning	**11,749**	12,096
Additions	**1,551**	792
Exchange difference on translation	**534**	453
Amortisation charge	**(1,698)**	(1,592)
Balance at end	**12,136**	11,749

Long-term prepayments comprise of the following:

(i) Prepayments made to the Government of the Maldives for the lease of an island in the Maldives for the purpose of developing and operating a tourist resort. The lease is for a period of 25 years commencing 26 February 2008 and has since been extended for another 25 years.

(ii) Prepayments made to the Government of Maldives for the lease of another island in the Maldives for the purpose of developing and operating a tourist resort. The lease is for a period of 50 years commencing from 10 July 2011.

(iii) Prepayments made to contractors for the construction of the hotel resorts in Bintan, Maldives and Tunisia.

Long-term prepayments are charged to profit or loss on the straight-line basis over the lease term. The lease term ranges between 25 and 50 years.

12 DEFERRED INCOME TAXES

Deferred tax assets and liabilities are offsetted when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

The Group	2014 $'000	2013 $'000
Deferred income tax assets		
– To be recovered within one year	**–**	–
– To be recovered after one year	**5,614**	8,690
	5,614	8,690
Deferred income tax liabilities		
– To be settled within one year	**2,574**	2,594
– To be settled after one year	**4,686**	4,129
	7,260	6,723

Movements in deferred income tax accounts are as follows:		
Deferred income tax assets		
Balance at beginning	**(8,690)**	(8,940)
Exchange difference on translation	**340**	(294)
Tax charged to profit or loss (Note 29)		
– current year	**566**	544
– over provision in respect of previous years	**2,170**	–
Balance at end	**(5,614)**	(8,690)
The balance comprises tax on unutilised tax losses which can be carried forward:		
– within 5 years	**(688)**	(923)
– indefinitely	**(4,926)**	(7,767)
	(5,614)	(8,690)
Deferred income tax liabilities		
Balance at beginning	**6,723**	6,075
Exchange difference on translation	**(95)**	129
Tax charged to profit or loss (Note 29)		
– current year	**926**	527
– over provision in respect of prior years	**(294)**	(8)
Balance at end	**7,260**	6,723

12 DEFERRED INCOME TAXES (CONT'D)

The balance comprises tax on the following temporary differences:

The Group	Excess of net book value over tax written down value of qualifying property, plant and equipment and improvements to investment properties $'000	Gain on sale of properties $'000	Gain on revaluation of investment properties $'000	Unabsorbed tax losses $'000	Others $'000	Total $'000
At 1 January 2014	**6,210**	**–**	**1,780**	**(1,034)**	**(233)**	**6,723**
Charged/(credited) to profit or loss	**769**	**574**	**348**	**(392)**	**(667)**	**632**
Exchange difference on translation	**(95)**	**(51)**	**(189)**	**89**	**151**	**(95)**
At 31 December 2014	**6,884**	**523**	**1,939**	**(1,337)**	**(749)**	**7,260**
At 1 January 2013	4,897	322	797	–	59	6,075
Charged/(credited) to profit or loss	1,186	(316)	998	(1,038)	(311)	519
Exchange difference on translation	127	(6)	(15)	4	19	129
At 31 December 2013	6,210	–	1,780	(1,034)	(233)	6,723

The losses incurred by the Company, which is an investment holding company, are not available to offset against future taxable profits under relevant sections of the Income Tax Act.

At the end of the reporting period, there are no deferred tax liabilities on net investment in subsidiaries.

13 INVENTORIES

The Group	2014 $'000	2013 $'000
Inventories, at lower of cost and net realisable value		
Spare parts	**873**	806
Consumables	**2,125**	2,219
Food and beverage	**1,278**	1,110
	4,276	4,135
Cost of inventories included in materials and consumables used and changes in inventories of finished goods	**16,788**	15,386

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group	2014 $'000 At fair value	2013 $'000 At fair value
Held for trading – Quoted equity investments:		
Balance at beginning	**3,276**	2,347
Fair value gain recognised in profit or loss (Note 25)	**385**	929
Balance at end	**3,661**	3,276

The fair value of quoted equity investments is determined by reference to New York Stock Exchange quoted prices.

Financial assets at fair value through profit or loss are denominated in United States Dollar.

15 TRADE AND OTHER RECEIVABLES

		The Company		The Group	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade receivables					
– third parties		**–**	–	**16,135**	15,839
– related company		**–**	–	**115**	139
– ultimate holding company		**–**	–	**2**	2
		–	–	**16,252**	15,980
Allowance for impairment of trade receivables		**–**	–	**(1,865)**	(973)
Net trade receivables	(i)	**–**	–	**14,387**	15,007
Other receivables					
Deposits		**1**	1	**418**	432
Staff loans		**–**	–	**34**	78
Tax recoverable		**–**	–	**3,274**	2,232
Prepayments		**117**	114	**3,010**	1,797
Rental lease receivables due within 1 year (Note 10)		**–**	–	**276**	166
Lease rent prepayments due within 1 year (Note 11)		**–**	–	**1,758**	1,686
Income receivable		**–**	–	**818**	744
Others		**3**	4	**941**	1,751
		121	119	**10,529**	8,886
Allowance for impairment of other receivables		**–**	–	**(264)**	(109)
Net other receivables	(ii)	**121**	119	**10,265**	8,777
Total	(i) + (ii)	**121**	119	**24,652**	23,784

15 TRADE AND OTHER RECEIVABLES (CONT'D)

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Singapore Dollar	**121**	119	**12,493**	11,543
Tunisian Dinar	**–**	–	**4,438**	4,336
Mauritian Rupee	**–**	–	**906**	914
Euro	**–**	–	**886**	936
United States Dollar	**–**	–	**5,434**	5,634
Others	**–**	–	**495**	421
	121	119	**24,652**	23,784

Trade receivables are usually due within 30 days and do not bear any effective interest rate.

All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regards to trade and other receivables, as the amounts recognised resemble a large number of receivables from various customers. Impairment of trade receivables is made when certain debtors are identified to be irrecoverable.

The credit risk for trade and other receivables based on the information provided to key management is as follows:

(i) Financial assets that are neither past due nor impaired

	The Company		The Group	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Current				
– Trade receivables	**–**	–	**10,621**	9,717
– Other receivables	**121**	119	**1,114**	2,152
	121	119	**11,735**	11,869

Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

15 TRADE AND OTHER RECEIVABLES (CONT'D)

(ii) **Financial assets that are past due but not impaired**

The ageing analysis of trade receivables past due but not impaired is as follows:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Past due 0 to 30 days	**–**	–	**1,392**	2,013
Past due 31 to 60 days	**–**	–	**1,215**	1,713
Past due 61 to 90 days	**–**	–	**526**	850
Past due over 90 days	**–**	–	**633**	714
	–	–	**3,766**	5,290

The ageing analysis of other receivables past due but not impaired is as follows:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Past due 0 to 30 days	**–**	–	**–**	–
Past due 31 to 60 days	**–**	–	**–**	–
Past due 61 to 90 days	**–**	–	**–**	–
Past due over 90 days	**–**	–	**15**	–
	–	–	**15**	–

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due but not impaired. These receivables are mainly arising by customers that have a good credit record with the Group.

15 TRADE AND OTHER RECEIVABLES (CONT'D)

(iii) Trade receivables that are past due and/or impaired

The ageing analysis of trade receivables determined to be impaired is as follows:

	The Company		The Group	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Past due 0 to 30 days	–	–	2	–
Past due 31 to 60 days	–	–	3	–
Past due 61 to 90 days	–	–	38	5
Past due over 90 days	–	–	1,822	968
	–	–	1,865	973

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	The Company		The Group	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Gross amount	–	–	1,865	973
Less: Allowance for impairment of trade receivables	–	–	(1,865)	(973)
	–	–	–	–
Allowance for impairment of trade receivables				
Balance at beginning	–	–	973	952
Exchange difference on translation	–	–	(65)	(15)
Allowance for impairment (Note 28)	–	–	985	100
Allowance utilised	–	–	(28)	(64)
Balance at end	–	–	1,865	973

The impaired trade receivables arise mainly from doubtful debts of a foreign subsidiary whose customers are affected by the European Sovereign Debt Crisis.

Included in trade receivables is an amount of $117,000 (2013 – $141,000) owing by companies in which a director of the Company has interest.

15 TRADE AND OTHER RECEIVABLES (CONT'D)

(iv) Other receivables that are past due and/or impaired

The ageing analysis of other receivables determined to be impaired is as follows:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Past due 0 to 30 days	**–**	–	**–**	–
Past due 31 to 60 days	**–**	–	**–**	–
Past due 61 to 90 days	**–**	–	**–**	–
Past due over 90 days	**–**	–	**264**	109
	–	–	**264**	109

The carrying amount of other receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Gross amount	**–**	–	**264**	109
Less: Allowance for impairment of other receivables	**–**	–	**(264)**	(109)
	–	–	**–**	–
Allowance for impairment of other receivables				
Balance at beginning	**–**	–	**109**	104
Exchange difference on translation	**–**	–	**(43)**	(1)
Allowance for impairment (Note 28)	**–**	–	**198**	6
Balance at end	**–**	–	**264**	109

Impairment on other receivables is made on specific debts for which the directors of the Group are of the opinion that the debts are not recoverable.

Included in prepayment are advances to suppliers and expenses such as insurance.

16 ADVANCES TO/FROM SUBSIDIARIES (NON-TRADE)

Advances to subsidiaries (non-trade)

The Company	2014 $'000	2013 $'000
Advances to subsidiaries	**80,206**	76,418
Allowance for impairment	**(14,869)**	(15,159)
	65,337	61,259

The movement in the allowance for impairment is as follows:		
Balance at beginning	**15,159**	17,846
Reversal of impairment	**(290)**	(2,687)
Balance at end	**14,869**	15,159

The advances to subsidiaries are unsecured, interest-free and receivable on demand.

Impairment on advances to subsidiaries is made on specific debts for which the directors of the Company are of the opinion that the debts are not recoverable. Impairment is reversed only when the financial performances of the subsidiaries have improved and the directors are of the opinion that the debts are recoverable.

Advances to subsidiaries are denominated in the following currencies:

The Company	2014 $'000	2013 $'000
Singapore Dollar	**55,675**	56,164
Mauritian Rupee	**4,744**	5,086
United States Dollar	**4,918**	9
	65,337	61,259

Advances from subsidiaries (non-trade)

The advances from subsidiaries are unsecured, interest-free and payable on demand. Advances from subsidiaries are denominated in Singapore Dollar.

17 CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Fixed deposits	**–**	–	**7,571**	11,992
Cash and bank balances	**1,166**	2,250	**15,696**	19,902
	1,166	2,250	**23,267**	31,894

The Group

For the purpose of presenting the consolidated cash flow statement, the year-end cash and cash equivalents comprise the following:

The Group	**2014** **$'000**	**2013** **$'000**
Fixed deposits	**7,571**	11,992
Cash and bank balances	**15,696**	19,902
	23,267	31,894
Less: Bank overdrafts (Note 21)	**(687)**	(295)
	22,580	31,599

Cash and cash equivalents are denominated in the following currencies:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Singapore Dollar	**416**	1,892	**9,607**	13,429
Tunisian Dinar	**–**	–	**6,901**	9,082
Mauritian Rupee	**–**	–	**648**	443
Euro	**209**	30	**1,981**	1,254
United States Dollar	**528**	314	**3,638**	7,382
Others	**13**	14	**492**	304
	1,166	2,250	**23,267**	31,894

17 CASH AND CASH EQUIVALENTS (CONT'D)

The fixed deposits mature between 3 and 4.5 months (2013 – 3 months and 1 year) from the end of the financial year with the following weighted average effective interest rates per annum:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	%	**%**	**%**	**%**
Singapore Dollar	**–**	–	**0.25**	0.16
Tunisian Dinar	**–**	–	**7.67**	5.72
United States Dollar	**–**	–	**0.44**	0.88

Fixed deposits are also recallable on demand by the Group based on the cash flows requirements of the Group without incurring any significant penalties and interest costs.

18 NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE

Non-current assets classified as held-for-sale relates to a villa in Tunisia which is pending legal completion.

19 SHARE CAPITAL

	No. of ordinary shares		Amount	
	2014	**2013**	**2014**	**2013**
The Company and The Group			**$'000**	**$'000**
Issued and fully paid, with no par value				
Balance at beginning and end of year	**402,167,668**	402,167,668	**254,139**	254,139

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

20 OTHER RESERVES

	2014	**2013**
The Group	**$'000**	**$'000**
Fair value reserve	**7,662**	15,953
Exchange fluctuation reserve	**(46,235)**	(45,890)
Revaluation surplus reserve	**13,583**	13,583
Premium paid on acquisition of non-controlling interests	**(37,112)**	(36,413)
	(62,102)	(52,767)
Represented by:		
Non-distributable	**(62,102)**	(52,767)

20 OTHER RESERVES (CONT'D)

The movements in other reserves are as follows:

	The Group	2014 $'000	2013 $'000
(i)	**Fair value reserve**		
	Balance at beginning	**15,953**	843
	Available-for-sale financial assets		
	– Fair value (losses)/gains (Note 7)	**(8,291)**	15,110
	Balance at end	**7,662**	15,953

The fair value reserve arises from surplus on revaluation of available-for-sale investments held as at the end of reporting period.

	The Group	2014 $'000	2013 $'000
(ii)	**Exchange fluctuation reserve**		
	Balance at beginning	**(45,890)**	(49,615)
	Net currency translation differences of financial statements of foreign subsidiaries	**(345)**	3,725
	Balance at end	**(46,235)**	(45,890)

Exchange fluctuation reserve arises from the translation of the financial statements of foreign entities whose functional currencies are different from the functional currency of the Company.

	The Group	2014 $'000	2013 $'000
(iii)	**Revaluation surplus reserve**		
	Balance at beginning and at end	**13,583**	13,583

Revaluation surplus reserve arises from the revaluation of property, plant and equipment prior to its reclassification to investment properties during the financial year ended 31 December 2010 in accordance with the requirements of FRS 40.

	The Group	2014 $'000	2013 $'000
(iv)	**Premium paid on acquisition of non-controlling interests**		
	Balance at beginning	**(36,413)**	(36,413)
	Change in interest of a subsidiary (Note 6)	**(699)**	–
	Balance at end	**(37,112)**	(36,413)

Please refer to Note 6 on Acquisition of non-controlling interests.

21 BORROWINGS

	The Company		The Group	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-current				
Obligations under finance leases	**–**	–	**2,009**	4,730
Bank borrowings – secured	**90,000**	70,000	**95,887**	77,889
	90,000	70,000	**97,896**	82,619
Current				
Obligations under finance leases	**–**	–	**3,173**	2,979
Bank overdrafts – unsecured	**–**	–	**687**	295
Bank borrowings – secured	**10,600**	25,360	**20,871**	34,682
	10,600	25,360	**24,731**	37,956
Total borrowings	**100,600**	95,360	**122,627**	120,575

	The Company		The Group	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Obligations under finance leases on fixed interest rate (Note 21.1)	**–**	–	**5,182**	7,709
Bank borrowings on variable interest rate (Note 21.2(i))	**80,600**	75,360	**97,445**	92,866
Bank borrowings on fixed interest rate (Note 21.2(ii))	**20,000**	20,000	**20,000**	20,000
	100,600	95,360	**122,627**	120,575

21.1 Obligations under finance leases

The Group	2014 $'000	2013 $'000
Minimum lease payments payable:		
Due not later than one year	**3,278**	3,077
Due later than one year and not later than five years	**2,075**	4,886
	5,353	7,963
Less: Finance charges allocated to future periods	**(171)**	(254)
Present value of minimum lease payments	**5,182**	7,709
Present value of minimum lease payments:		
Due not later than one year	**3,173**	2,979
Due later than one year and not later than five years	**2,009**	4,730
	5,182	7,709

The Group leases compactors and motor vehicles from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term. The finance lease obligations are secured by the underlying assets (Note 5(d)).

21 BORROWINGS (CONT'D)

21.2 Bank borrowings and bank overdrafts

(i) The exposure of the bank borrowings and bank overdrafts of the Group and of the Company to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
6 months or less	**80,600**	75,360	**90,849**	84,250
6 – 12 months	**–**	–	**709**	727
1 – 5 years	**–**	–	**5,305**	6,168
> 5 years	**–**	–	**582**	1,721
	80,600	75,360	**97,445**	92,866

Interests is repriced on monthly basis.

(ii) Bank borrowings amounting to $20,000,000 (2013 – $20,000,000) are on fixed interest rates and are not subject to interest repricing.

(iii) The bank borrowings are repayable quarterly between 2014 and 2019 based on the agreement with the financial institutions and are secured by:

- a foreign subsidiary's freehold land and buildings, equipment (Note 5(c)) and business;
- a local subsidiary's investment property (Note 4(c)), rental proceeds, interests in tenancy agreements and insurance policies; and
- a local subsidiary's hotel (Note 5(c)), rental proceeds, interests in tenancy agreements, interests in hotel management agreements and insurance policies.

The amount repayable within 12 months is included under current liabilities whilst the amount repayable after one year is included under non-current liabilities.

21.3 Currency risk

Total borrowings are denominated in the following currencies:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Singapore Dollar	**100,600**	95,360	**114,282**	110,569
Tunisian Dinar	**–**	–	**8,345**	10,006
	100,600	95,360	**122,627**	120,575

21.4 Effective interest rates

The weighted average effective interest rates (per annum) of total borrowings at the end of reporting period are as follows:

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
Bank overdraft	**–**	–	**5.80%**	5.42%
Bank borrowings	**0.76%-2.85%**	0.77%-6.76%	**0.76%-6.72%**	0.77%-6.76%
Obligations under finance leases	**–**	–	**2.24%**	2.24%

21 BORROWINGS (CONT'D)

21.5 Carrying amounts and fair values

(a) Fair values of borrowings

The carrying amounts of current borrowings approximate their fair value. The carrying amounts and fair values of non-current borrowings are as follows:

	The Company		The Group	
	Carrying amounts $'000	Fair values $'000	Carrying amounts $'000	Fair value $'000
2014				
Bank borrowings – secured	**90,000**	**89,992**	**95,887**	**95,557**
Obligations under finance leases	**–**	**–**	**2,009**	**1,913**
2013				
Bank borrowings – secured	70,000	70,241	77,889	77,707
Obligations under finance leases	–	–	4,730	4,623

The fair values above are determined from the discounted cash flow analysis, discounted at market borrowing rates (per annum) of an equivalent instrument at the end of reporting period which the directors expect to be available to the Group as follows:

	The Company		The Group	
	2014	2013	2014	2013
Obligations under finance leases	**–**	–	**2.24%**	2.24%
Bank borrowings – secured	**1.30%**	1.35%	**1.60%**	1.90%

(b) The amount repayable within one year is included under current liabilities whilst the amount repayable after one year is included under non-current liabilities.

22 LONG-TERM LIABILITIES

Long-term liabilities relate mainly to deferred lease incentive of an island in the Maldives (Note 11) and in Zanzibar and provision for dismantlement and restoration cost for leased land which are as follows:

The Group	2014 $'000	2013 $'000
Deferred lease incentive	**9,993**	8,850
Long-term payables (retention sum)	**1,227**	–
Provision for dismantlement and restoration cost	**740**	–
Long-term end of service benefits	**452**	406
	12,412	9,256

22 LONG-TERM LIABILITIES (CONT'D)

The movement in provision for dismantlement and restoration cost is as follow:

	2014 $'000	2013 $'000
Balance at beginning	**–**	–
Provision during the year	**740**	–
Balance at end	**740**	–

A provision for dismantlement and restoration cost is recognised for the expected costs associated with restoring the leasehold land from JTC Corporation to its original condition based on the requirements of the lease contract. Provision for dismantlement and restoration cost is the present value of the estimated costs of dismantlement, removal and restoration to be incurred for the leased land at 8 Tuas South Street 13 (Note 5(b)(v)), which is obtained from a third party contractor. The Group assumed that the leased land will be restored using technology and materials that are currently available. The unwinding of discount during the year is insignificant. The total expected costs to be incurred is $1,209,813.

23 GRATUITY ON RETIREMENT

The Group	2014 $'000	2013 $'000
Present value of obligation at 1 January	**517**	776
Current service cost	**38**	40
Actuarial losses in defined benefit plans	**4**	–
Interest expense	**38**	66
Actuarial gain	**(52)**	(407)
Payment	**(15)**	–
Exchange difference on translation	**(4)**	42
Present value of obligation at 31 December	**526**	517

The amount recognised in the statement of profit or loss and other comprehensive income is as follows:

The Group	2014 $'000	2013 $'000
At 1 January	**517**	776
Charged/(credited) to profit or loss	**24**	(301)
Charged to other comprehensive income	**4**	–
Payment	**(15)**	–
Exchange difference on translation	**(4)**	42
At 31 December	**526**	517

Gratuity on retirement is denominated in Mauritian Rupee.

The significant actuarial assumptions were as follows:

(i) Financial assumptions

Discount rate (per annum)	7.5% (2013 – 7.5%)
Salary increase (per annum)	5.5% (2013 – 5.5%)

23 GRATUITY ON RETIREMENT (CONT'D)

(ii) A special set of assumptions which take into account the probability of a retrenchment exercise occurring in the Group have been used. Under these assumptions, the probability of withdrawal is as follows:

Age now (years)	Probability of withdrawal
Up to 40	20%
Up to 45	2%
45 – 60	0%

(iii) The sensitivity of the gratuity on retirement to changes in the weighted principal assumptions is:

	Impact on Gratuity on Retirement		
The Group	Change in assumption	Increase in assumption $'000	Decrease in assumption $'000
Discount rate	1%	(450)	618
Salary increase	1%	620	(448)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of the gratuity on retirement to significant actuarial assumptions the same method (present value of the gratuity on retirement calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statements of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

24 TRADE AND OTHER PAYABLES

	The Company		The Group	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade payables	**–**	–	**19,364**	15,769
Rental deposits	**–**	–	**6,392**	6,369
Liabilities incurred for capital expenditure	**–**	–	**6,166**	5,532
Deferred income	**–**	–	**983**	1,666
Social security contributions	**–**	–	**932**	869
Employee benefits	**15**	19	**1,335**	1,297
Other taxes payable	**–**	–	**1,345**	1,412
Advance payments received	**–**	–	**4,183**	2,744
Accrued staff costs	**301**	298	**2,828**	3,336
Accrued operating expenses	**558**	738	**5,369**	3,973
	874	1,055	**48,897**	42,967

The fair value of trade and other payables have not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the statements of financial position to be reasonable approximation of their fair values.

24 TRADE AND OTHER PAYABLES (CONT'D)

Advance payments received relates to advance payment received from tour operator.

Accrued operating expenses relates to operating expenses such as utilities, advertising, legal and professional expenses.

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Singapore Dollar	**874**	1,055	**24,216**	21,185
Tunisian Dinar	**–**	–	**7,961**	8,449
Mauritian Rupee	**–**	–	**2,926**	3,201
United States Dollar	**–**	–	**12,195**	9,530
Others	**–**	–	**1,599**	602
	874	1,055	**48,897**	42,967

Further details of liquidity risks on trade and other payables are disclosed in Note 38.5.

25 OTHER INCOME

The Group	2014 $'000	2013 $'000
Net fair value gain of investment properties (Note 4)	**12,957**	35,747
Interest income	**592**	525
Gain on disposal of property, plant and equipment	**50**	115
Fair value gain on financial assets at fair value through profit or loss (Note 14)	**385**	929
Foreign exchange gain	**–**	546
Management fee charged to related party companies	**262**	253
Government grants on special employment benefits	**1,272**	736
Others	**391**	551
	15,909	39,402

26 EMPLOYEE BENEFIT COSTS

The Group	2014 $'000	2013 $'000
Directors		
– Directors' salaries and related costs		
– directors of the Company	**1,124**	1,046
– directors of subsidiaries	**1,315**	1,424
– Defined contributions	**57**	74
	2,496	2,544
Other than directors		
– Salaries and related costs	**56,122**	52,028
– Defined contributions	**5,433**	4,400
	64,051	58,972

The Group regards the executive directors of the Company and of its subsidiaries as key management personnel.

27 OTHER OPERATING EXPENSES

The Group	2014 $'000	2013 $'000
Dumping fees	**16,749**	16,267
Repair and maintenance	**8,847**	10,214
Utilities	**6,276**	9,209
Marketing	**5,243**	5,328
Property tax	**3,648**	4,317
Labour and sub-contractor charges	**3,335**	3,271
Distillate and service fee	**2,605**	2,401
Operating lease rental expense (Note 28)	**1,829**	2,845
Credit card commission	**1,517**	1,432
Equipment expenses	**1,785**	1,488
Insurance	**1,247**	896
Licence fees	**1,132**	1,141
Operating supplies	**1,034**	418
Property, plant and equipment written off (Note 28)	**550**	115
Others	**12,524**	8,073
	68,321	67,415

The Group regards the executive directors of the Company and of its subsidiaries as key management personnel.

28 PROFIT BEFORE TAXATION

The Group	Note	2014 $'000	2013 $'000
Profit before taxation has been arrived at after charging:			
Allowance for impairment of trade receivables	15	**985**	100
Allowance for impairment of other receivables	15	**198**	6
Goodwill written off		**–**	232
Inventories written down		**–**	30
Depreciation of property, plant and equipment	5	**17,239**	16,147
Directors' remuneration			
Directors of the Company			
– fees		**202**	195
– other emoluments		**1,150**	1,087
Other directors of subsidiaries			
– fees		**103**	105
– other emoluments		**1,346**	1,457
Finance costs			
– bank overdrafts		**69**	100
– bank borrowings		**2,084**	1,991
– others		**103**	41
		2,256	2,132
Foreign exchange loss		**164**	–
Audit fee			
– Auditor of the Company		**276**	276
– Other auditors		**191**	141
Non-audit fee			
– Auditor of the Company		**20**	29
– Other auditors		**90**	75
Cost of inventories included in materials and consumables used and changes in inventories of finished goods	13	**16,788**	15,386
Operating lease rental expense	27	**1,829**	2,845
Property, plant and equipment written off	27	**550**	115
Replaced components of improvements to investment properties written off	4	**122**	22
and crediting:			
Fair value gain on financial assets at fair value through profit or loss	14	**385**	929
Gain on disposal of property, plant and equipment	25	**50**	115
Net fair value gain of investment properties	4	**12,957**	35,747
Gross dividends received from quoted equity investments		**570**	476
Interest income			
– fixed deposits		**552**	502
– others		**40**	23
Rental income	4	**26,093**	25,924
Foreign exchange gain		**–**	546

29 TAXATION

The Group	2014 $'000	2013 $'000
Current taxation	**5,609**	5,791
Transfer from deferred income tax liabilities (Note 12)	**926**	527
Transfer from deferred income tax assets (Note 12)	**566**	544
	7,101	6,862
(Over)/under provision in respect of previous years		
– current taxation	**(92)**	(300)
– deferred income tax liabilities (Note 12)	**(294)**	(8)
– deferred income tax assets (Note 12)	**2,170**	–
	8,885	6,554

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

The Group	2014 $'000	2013 $'000
Profit before taxation	**43,965**	63,315
Tax at standard rate of 17% (2013 – 17%)	**7,474**	10,764
Effect of different tax rates in other countries	**(1,268)**	(276)
Singapore statutory stepped income exemption	**(244)**	(208)
Tax effect:		
– fair value gains on investment properties	**(2,002)**	(5,310)
– other non-taxable income[(1)]	**(1,569)**	(434)
Tax effect on non-deductible expenses[(2)]	**4,231**	2,466
Tax incentive	**(255)**	(72)
Tax rebate	**(175)**	(213)
Deferred income tax assets on temporary differences not recognised	**646**	–
Utilisation of deferred income tax assets on temporary differences not recognised in previous year	**–**	(13)
Others	**263**	158
	7,101	6,862

(1) This relates to capital gain not subjected to tax.

(2) This relates to disallowed expenditure incurred in the ordinary course of business.

The Group

Subject to agreement with the relevant tax authorities, the Group has unabsorbed capital allowances and tax losses amounting of $912,000 (2013 – $1,938,000) and $23,105,000 (2013 – $18,280,000) respectively available for offset against future taxable income provided that the provisions of Sections 23 and 37 of the Singapore Income Tax Act, Cap. 134 and the relevant foreign tax regulations are complied with.

Unutilised tax benefits totalling approximately $4,083,000 (2013 – $3,437,000) arising from unabsorbed capital allowances and tax losses had not been recognised as there was no reasonable certainty of their realisation in the future periods.

30 DIVIDENDS

The Company and The Group	2014 $'000	2013 $'000
Ordinary dividends paid:		
First and final tax-exempt (1-tier) dividend paid in respect of the previous financial year of 1.50 cents (2013 – 1.20 cents) per share	**6,033**	4,826
Ordinary dividends proposed:		
First and final tax-exempt (1-tier) dividend proposed of 1.60 cents (2013 – 1.50 cents) per share	**6,435**	6,033

At the forthcoming Annual General Meeting, a final tax-exempt (one-tier) dividend of 1.60 cents (2013 – 1.50 cents) per share amounting to $6,435,000 (2013 – $6,033,000) will be proposed. These financial statements do not reflect these dividends payable, which will be accounted for as a reduction in equity as a distribution of retained profits in the financial year ending 31 December 2015. The payment of this dividend will not have any tax consequences for the Group.

31 OTHER COMPREHENSIVE INCOME AFTER TAX

The Group

		2014	
Disclosure of tax effects relating to each component of other comprehensive income:	$'000 Before tax	$'000 Tax expense	$'000 Net of tax
Actuarial losses in defined benefit plans	**(4)**	**–**	**(4)**
Available-for-sale financial assets:			
– Fair value loss	**(8,291)**	**–**	**(8,291)**
Currency translation difference on foreign operations	**(421)**	**–**	**(421)**
	(8,716)	**–**	**(8,716)**

The Group

		2013	
Disclosure of tax effects relating to each component of other comprehensive income:	$'000 Before tax	$'000 Tax expense	$'000 Net of tax
Available-for-sale financial assets:			
– Fair value gain	15,110	–	15,110
Currency translation difference on foreign operations	3,704	–	3,704
	18,814	–	18,814

32 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue of 402,167,668 (2013 – 402,167,668) shares during the financial year.

The Company	2014	2013
Net profit attributable to equity holders of the Company ($'000)	**34,249**	56,228
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**402,168**	402,168
Basic earnings per share (cents per share)	**8.52**	13.98
Diluted earnings per share (cents per share)	**8.52**	13.98

For the purpose of calculating diluted earnings per share, profit attributable to owners of the parent of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential shares. As there are no dilutive potential ordinary shares that were outstanding during the year, the basic earnings per share is the same as the diluted earnings per share.

33 COMMITMENTS

33.1 Capital commitments

The Group	2014 $'000	2013 $'000
Capital expenditure contracted for purchase of property, plant and equipment	**139,442**	130,539

33.2 Operating lease commitments (non-cancellable)

(i) Where the Group is the lessee

At the end of the reporting report, the Group were committed to making the following rental payments in respect of non-cancellable operating leases for land, staff accommodation, office equipment and plant and equipment with an original term of more than one year:

The Group	2014 $'000	2013 $'000
Not later than one year	**2,480**	1,401
Later than one year and not later than five years	**12,142**	8,109
Later than five years	**107,660**	110,444

The leases on the Group's land on which rentals are payable will expire between 30 November 2030 and 18 July 2068 (2013 – between 28 February 2014 and 9 July 2061). The current rent payable on the leases are between $63,274 and $1,641,250 (2013 – $60,700 and $1,259,000) per annum which are subject to revision on renewal.

The leases for the Group's staff accommodation on which rentals are payable will expire at the earliest on 9 April 2015 and not later than 15 January 2016 (2013 – 14 January 2014 and not later than 30 June 2015). The current rent payable on the leases are between $2,000 and $2,600 (2013 – $2,000 and $3,400) per month which are subject to revision on renewal.

33 **COMMITMENTS (CONT'D)**

33.2 Operating lease commitments (non-cancellable) (cont'd)

(i) Where the Group is the lessee (cont'd)

The leases on the Group's office equipment on which rentals are payable will expire on 10 October 2015 (2013 – 10 October 2015). The current rent payable on the leases are $253 (2013 – $253) per month which is subject to revision on renewal.

The leases on the Group's plant and equipment on which rentals are payable will expire on 31 March 2020 (2013 – 31 March 2020). The current rent payable on the leases are between $1,950 and $2,200 (2013 – $1,950 and $2,200) per month which is subject to revision on renewal.

(ii) Where the Group is the lessor

The Group leases out commercial/residential premises to non-related parties under non-cancellable operating leases with term of more than one year.

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of reporting period but not recognised as receivables, are as follows:

The Group	**2014 $'000**	**2013 $'000**
Not later than one year	**20,968**	23,776
Later than one year and not later than five years	**47,864**	32,397
Later than five years	**793**	1,393

The leases on the Group's investment properties on which rentals are received will expire between 28 February 2015 and 1 April 2021 (2013 – 28 February 2014 and 1 April 2021) with renewals at the then prevailing rates. The current rent receivable on the leases are between $1,300 and $238,300 (2013 – $2,000 and $171,990) per month which are subject to revision on renewal.

34 **OTHER MATTERS**

The Company

The Company has given letters of financial support for the following subsidiaries with a total net deficit of approximately $52,456,000 (2013 – $48,494,000) to continue to operate as a going concern and to meet their respective obligations as and when they fall due:

1. Bonaventure (Maldives) Pvt Ltd
2. Bonavista (Maldives) Pvt Ltd
3. Bonvests Trading Pte Ltd
4. Bonswiss Pte Ltd
5. Bonforte Investments Pte Ltd
6. Bonfresh Pte Ltd
7. Bonconcept Restaurants Pte Ltd
8. Brooklyn Bagels Pte Ltd
9. Cenizaro Pte Ltd
10. Colex Compost Pte Ltd
11. Goldview Pte Ltd
12. Goldprime Pte Ltd
13. Goldpoint Pte Ltd
14. Hotel & Property Development (Kendwa) Limited
15. Magnificent Developments Pte Ltd
16. The Residence Hotels and Resorts Management Services Pte Ltd

34 OTHER MATTERS (CONT'D)

The Group

As at 31 December 2014, there were guarantees issued by certain financial institutions in favour of third parties on behalf of certain subsidiaries of the Group amounting to $9,922,000 (2013 – $9,110,000). These bank guarantees are secured by:

(a) fixed and floating charge over the assets and undertakings of certain subsidiaries;

(b) first legal mortgage of the investment property at 541 Orchard Road, Singapore (Note 4(c)) and a subsidiary's freehold land and buildings and equipment (Note 5(c)); and

(c) assignment of rental proceeds and interests in tenancy agreements and insurance policies of the investment property at 541 Orchard Road, Singapore (Note 4(c)).

The Group has given corporate guarantee to a bank amounting to $13,600,000 (2013 - $15,600,000) in respect of banker's guarantees granted to subsidiaries, Integrated Property Management and Colex Environmental Pte Ltd.

As at 31 December 2014 and at 31 December 2013, the fair values of the corporate guarantee determined based on the expected loss arising from the risk of default are insignificant.

35 RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions with related parties at agreed rates:

(a) Sales and purchases of goods and services

	2014 **$'000**	2013 $'000
Cleaning service fee and waste disposal fee income from a company in which a director has interest	**210**	188
Management fee income from:		
– Ultimate holding company	**16**	11
– Company in which a director has interest	**245**	242
Sale of goods to company in which a director has interest	**6**	5
Rental income from a company in which a director has interest	**20**	24
Rental expense paid to a company in which a director has interest	**8**	5
Banqueting service to a director of a subsidiary	**–**	123
Cleaning service to a director	**6**	6

(b) Transactions with key management personnel

The key management's remuneration include fees, salary, bonus, commission and other emoluments (including benefits-in-kind) is computed based on the cost incurred by the Group. The key management's remuneration is as follows:

The Group	**2014** **$'000**	**2013** **$'000**
Key management of the Group:		
– directors of the Company	**1,150**	1,087
– directors of subsidiaries	**1,346**	1,457

36 OPERATING SEGMENTS

For management purposes, the Group's 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's reportable operating segments are as follows:

(i) Rental

Operations in this segment comprise the owning and letting of properties.

(ii) Hotel

Activities in this segment include development and operation of hotels and a golf course.

(iii) Industrial

This segment of activities covers collection and disposal of waste and contract cleaning.

(iv) Investment

These activities relate to securities trading and investment holding.

(v) Development

Activities in this segment include the development of properties.

(vi) Others

Operations in this segment include mainly the provision of management services. Unallocated net expenses incurred by the Company are included here.

Except as indicated above, there are no operating segments that have been aggregated to form the above reportable operating segments.

The Managing Director monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects as set out below, is measured differently from operating profit or loss in the consolidated financial statements. 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 expenses, corporate assets and head office expenses, and income tax assets and liabilities.

Group financing and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

36 OPERATING SEGMENTS (CONT'D)

Business Segments

	Rental	
	2014	**2013**
	$'000	**$'000**
Revenue		
External revenue	**26,093**	25,924
Inter-segment revenue	**–**	22
Total revenue	**26,093**	25,946
Result		
Segment results	**17,969**	17,553
Net fair value gain on investment properties	**12,957**	35,747
Segment assets	**499,699**	487,648
Unallocated assets		
Consolidated total assets		
Segment liabilities	**8,169**	7,137
Unallocated liabilities		
Consolidated total liabilities		
OTHER SEGMENT INFORMATION		
Capital expenditure		
– property, plant and equipment	**39**	24
– investment properties	**159**	54
Depreciation of property, plant and equipment	**62**	63
Goodwill written off	**–**	–
Property, plant and equipment written off	**4**	11
Replaced components of improvements to investment properties written off	**122**	22

	Hotel		Industrial		Investment	
	2014	2013	**2014**	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
	112,352	105,872	**57,696**	51,693	**570**	476
	1,983	2,543	**1,011**	938	**–**	–
	114,335	108,415	**58,707**	52,631	**570**	476
	10,091	7,517	**4,914**	3,171	**931**	1,412
	–	–	**–**	–	**–**	–
	442,913	419,876	**37,498**	34,386	**32,808**	39,173
	62,891	57,260	**11,892**	12,457	**16**	24
	24,596	10,200	**6,396**	14,742	**–**	–
	–	–	**–**	–	**–**	–
	14,845	14,433	**2,651**	1,907	**–**	–
	–	232	**–**	–	**–**	–
	488	66	**58**	38	**–**	–
	–	–	**–**	–	**–**	–

36 OPERATING SEGMENTS (CONT'D)

Business Segments (cont'd)

	Development	
	2014	**2013**
	$'000	**$'000**
Revenue		
External revenue	**–**	–
Inter-segment revenue	**–**	–
Total revenue	**–**	–
Result		
Segment results	**(7)**	(6)
Net fair value gain of investment properties	**–**	–
Segment assets	**11**	14
Unallocated assets		
Consolidated total assets		
Segment liabilities	**8**	8
Unallocated liabilities		
Consolidated total liabilities		
OTHER SEGMENT INFORMATION		
Capital expenditure		
– property, plant and equipment	**–**	–
– investment properties	**–**	–
Depreciation of property, plant and equipment	**–**	–
Goodwill written off	**–**	–
Property, plant and equipment written off	**–**	–
Replaced components of improvements to investment properties written off	**–**	–

	Others		Eliminations		Consolidated	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
	–	–	**–**	–	**196,711**	183,965
	1,109	1,107	**(4,103)**	(4,610)	**–**	–
	1,109	1,107	**(4,103)**	(4,610)	**196,711**	183,965
	(1,226)	(472)	**–**	–	**32,672**	29,175
	–	–	**–**	–	**12,957**	35,747
Finance costs					**(2,256)**	(2,132)
Interest income					**592**	525
Taxation					**(8,885)**	(6,554)
Total profit for the year					**35,080**	56,761
Non-controlling interests					**(831)**	(533)
Net profit attributable to owners of the parent					**34,249**	56,228
	1,435	2,529			**1,014,364**	983,626
					2,236	2,233
					1,016,600	985,859
	101,486	96,429			**184,462**	173,315
					12,988	12,506
					197,450	185,821
	–	–			**31,031**	24,966
	–	–			**159**	54
	–	59			**17,558**	16,462
	–	–			**–**	232
	–	–			**550**	115
	–	–			**122**	22

36 OPERATING SEGMENTS (CONT'D)

36.1 Geographical segments

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	2014 $'000	2013 $'000
Revenue		
Singapore	**140,196**	134,353
Tunisia	**15,425**	12,437
Mauritius	**12,985**	11,674
Zanzibar	**8,921**	9,230
Maldives	**19,184**	16,271
	196,711	183,965
Non-current assets		
Singapore	**695,938**	688,145
Tunisia	**49,768**	51,282
Mauritius	**16,745**	16,589
Maldives	**133,123**	104,393
Zanzibar	**47,125**	50,495
Indonesia	**17,786**	11,586
	960,485	922,490

All segment revenue and expense is directly attributable to the segments. There is no revenue from transactions with a single external customer that amounts to 10 per cent or more of the Group's revenues.

37 DISCLOSURE OF DIRECTORS' REMUNERATION

The following number of directors in the remuneration bands is disclosed in compliance with The SGX-ST Listing Manual:

	2014	2013
Remuneration bands		
$500,000 and above	**1**	1
$250,000 to $499,999	**1**	1
Below $250,000	**3**	3
	5	5

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company and the Group financial risk management policies set out the Company's and the Group's overall business strategies and its risk management philosophy. The Company and the Group are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks included credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance. The Company and the Group do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies, evaluates and hedges financial risks in close co-operation with the Company's and the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

38.1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising from bank borrowings, sales and purchases that are denominated in currencies other than the respective functional currencies of group entities, primarily Singapore Dollar ("SGD"). The foreign currencies in which these transactions are denominated are mainly the Tunisian Dinar ("TD"), Mauritian Rupee ("MR"), Euro and United States Dollar ("USD"). Exposures to foreign currency risk are monitored on an on-going basis.

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

38.1 Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

If the TD, MR, Euro and USD all strengthened against the SGD by 5% (2013 – 5%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase/(Decrease)			
	2014		2013	
	Profit net of tax $'000	Equity $'000	Profit net of tax $'000	Equity $'000
The Group				
TD	**(157)**	**(157)**	(79)	(79)
MR	**(72)**	**(72)**	(102)	(102)
Euro	**93**	**93**	80	80
USD	**(64)**	**(64)**	203	203
Others	**–**	**–**	12	12
The Company				
Euro	**9**	**9**	1	1
USD	**22**	**22**	13	13
Others	**1**	**1**	1	1

If the TD, MR, Euro and USD weakened against the SGD by 5% (2013 – 5%) with all other variables including tax rate being held constant, it would have had the equal opposite effect on the amounts shown above, on the basis that all other variables remaining constant.

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

38.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's and the Group's financial instruments will fluctuate because of changes in market interest rates.

The Company's and the Group's exposure to interest rate risk arises primarily from its debt obligations with financial institutions and its investment portfolio in fixed deposits. The Company's and the Group's policy is to manage interest costs by using a mix of fixed and floating rate debts.

The Company and the Group do not have any significant exposure to cash flow interest rate risk except for interest rate exposures to bank borrowings and bank overdrafts.

Sensitivity analysis for interest rate risk

At the end of reporting period, if SGD and TD 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 higher/lower arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings:

	Higher/(Lower)	
The Group	**2014 Profit after tax $'000**	**2013 Profit after tax $'000**
SGD	**474**	459
TD	**31**	35

38.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss. The Company's and the Group's exposure to credit risk arises primarily from trade and other receivables, bank deposits and advances to subsidiaries.

The Company's and the Group's objective is to seek continual growth while minimizing losses incurred due to increased credit risk exposure.

Exposure to credit risk

As the Company and the Group do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Company's and the Group's major classes of financial assets are trade and other receivables, deposits and bank deposits.

For trade receivables, the Group adopt the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Group's and the Company's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that the counterparties fail to perform their obligations as of 31 December 2014 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statements of financial position. Cash is held with reputable financial institutions.

Further details of credit risks on trade and other receivables are disclosed in Note 15.

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

38.4 Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices. It represents the potential loss the Group might suffer through holding investments in the face of price movements. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector.

The Group is exposed to marketable securities price risk because of the investments held by the Group which are classified on the statements of financial position either as available-for-sale financial assets or financial assets at fair value through profit or loss. These securities are listed on the New York Stock Exchange and Singapore Exchange Securities.

The Group	**2014 $'000**	**2013 $'000**
Available-for-sale financial assets		
– Listed in Singapore	**27,910**	32,532
Financial assets at fair value through profit or loss		
– Listed in the United States	**3,661**	3,276
Total equity securities	**31,571**	35,808

The Group is not exposed to commodity price risk. The Group has in place a set of internal controls to manage its market price risk arising from investments in marketable securities.

<u>Market price sensitivity</u>
At the end of the reporting period, if the price for equity securities listed in Singapore and the United States been 2% (2013 – 2%) higher/lower with all other variables including tax rate held constant, the effects on profit after tax and other comprehensive income would have been:

	Increase/(Decrease)		
The Group	**Profit after tax $'000**	**Other comprehensive income $'000**	**Equity $'000**
31 December 2014			
Available-for-sale financial assets			
– increased by	**–**	**558**	**558**
– decreased by	**–**	**(558)**	**(558)**
Financial assets at fair value through profit or loss			
– increased by	**61**	**–**	**61**
– decreased by	**(61)**	**–**	**(61)**
31 December 2013			
Available-for-sale financial assets			
– increased by	–	651	651
– decreased by	–	(651)	(651)
Financial assets at fair value through profit or loss			
– increased by	54	–	54
– decreased by	(54)	–	(54)

The Group's sensitivity to market prices has not changed significantly from the prior year.

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

38.5 Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company and the Group manage their liquidity risk by ensuring the availability of funding through an adequate amount of credit facilities from financial institutions.

The table below analyses non-derivative financial liabilities of the Company and the Group into relevant maturity groupings based on the remaining period from the date of statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

The Group	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
At 31 December 2014					
Trade and other payables (less deferred income and other taxes payables)	**46,569**	**–**	**–**	**–**	**46,569**
Borrowings	**24,918**	**92,283**	**6,219**	**604**	**124,024**
	71,487	**92,283**	**6,219**	**604**	**170,593**
At 31 December 2013					
Trade and other payables (less deferred income and other taxes payables)	39,889	–	–	–	39,889
Borrowings	38,878	5,378	77,523	1,821	123,600
	78,767	5,378	77,523	1,821	163,489

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

38.5 Liquidity risk (cont'd)

The Company	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
At 31 December 2014					
Trade and other payables	**874**	**–**	**–**	**–**	**874**
Advances from subsidiaries (non-trade)	**149,408**	**–**	**–**	**–**	**149,408**
Borrowings	**10,958**	**90,359**	**–**	**–**	**101,317**
	161,240	**90,359**	**–**	**–**	**251,599**
At 31 December 2013					
Trade and other payables	1,055	–	–	–	1,055
Advances from subsidiaries (non-trade)	137,008	–	–	–	137,008
Borrowings	25,961	352	70,312	–	96,625
	164,024	352	70,312	–	234,688

The Company and the Group manage the liquidity risk by ensuring there are sufficient cash and marketable securities to meet all their normal operating commitments in a timely and cost-effective manner, having adequate amount of credit facilities and the ability to close market positions at short notice. The Group intends to refinance its short-term bank borrowings with long-term bank borrowings upon their maturity.

At the end of the reporting period, the undrawn credit facilities is $170,600,000 (2013 – $182,140,000) whilst the fair value of the marketable securities is $31,571,000 (2013 – $35,808,000).

39 CAPITAL MANAGEMENT

The Company's and the Group's objectives when managing capital are:

(a) To safeguard the Company's and the Group's ability to continue as a going concern;

(b) To support the Company's and the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Company's and the Group's risk management capability; and

(d) To provide an adequate return to shareholders.

The Company and the Group actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Company and the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company and the Group currently do not adopt any formal dividend policy.

The Company and the Group monitor capital on the basis of the carrying amount of equity plus borrowings as presented in the statement of financial position.

Total capital is calculated as equity plus total borrowings.

	The Company		The Group	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Total borrowings	**100,600**	95,360	**122,627**	120,575
Total equity	**345,245**	331,507	**819,150**	800,038
Total capital	**445,845**	426,867	**941,777**	920,613
Gearing ratio	**22.56%**	22.34%	**13.02%**	13.10%

Gearing has a significant influence on the Company's and the Group's capital structure and the Company and the Group monitor capital using a gearing ratio. The Company and the Group monitor gearing closely but had not set a definite ratio as it depends on the operational and investments requirement of the Company and the Group. The gearing ratio is calculated as total borrowings divided by total capital.

The Company and the Group have observed its covenant obligations, including maintaining capital ratios since the inception of the borrowings (Note 21).

In order to maintain or adjust the capital structure, the Company and the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce debt.

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

The Company and its subsidiaries are not subject to externally imposed capital requirements.

40 FINANCIAL INSTRUMENTS

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

The Group	Note	Available-for-sale (Carried at fair value) $'000	Held for trading (FVTPL) (Carried at fair value) $'000	Held-to-maturity (Carried at amortised cost) $'000	Loans and receivables (Carried at amortised cost) $'000	Total $'000
31 December 2014						
Financial assets						
Available-for-sale financial assets	7	27,910	–	–	–	27,910
Held-to-maturity financial asset	8	–	–	995	–	995
Financial assets at fair value through profit or loss	14	–	3,661	–	–	3,661
Trade and other receivables	15					
– Trade receivables		–	–	–	14,387	14,387
– Deposits		–	–	–	418	418
– Staff loans		–	–	–	34	34
– Others (net of impairment)		–	–	–	677	677
Cash and cash equivalents	17	–	–	–	23,267	23,267
		27,910	3,661	995	38,783	71,349

The Group	Note	Other liabilities at FVTPL $'000	Other liabilities (Carried at amortised cost) $'000	Total $'000
31 December 2014				
Financial liabilities				
Borrowings	21	–	122,627	122,627
Trade and other payables (less deferred income and other taxes payables)	24	–	46,569	46,569
		–	169,196	169,196

40 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications of financial assets and financial liabilities (cont'd)

The carrying amounts of financial assets and financial liabilities in each category are as follows:

The Group	Note	Available-for-sale (Carried at fair value) $'000	Held for trading (FVTPL) (Carried at fair value) $'000	Loans and receivables (Carried at amortised cost) $'000	Total $'000
31 December 2013					
Financial assets					
Available-for-sale financial assets	7	32,532	–	–	32,532
Financial assets at fair value through profit or loss	14	–	3,276	–	3,276
Trade and other receivables	15				
– Trade receivables		–	–	15,007	15,007
– Deposits		–	–	432	432
– Staff loans		–	–	78	78
– Others (net of impairment)		–	–	1,642	1,642
Cash and cash equivalents	17	–	–	31,894	31,894
		32,532	3,276	49,053	84,861

The Group	Note	Other liabilities at FVTPL $'000	Other liabilities (Carried at amortised cost) $'000	Total $'000
31 December 2013				
Financial liabilities				
Borrowings	21	–	120,575	120,575
Trade and other payables (less deferred income and other taxes payables)	24	–	39,889	39,889
		–	160,464	160,464

40 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications of financial assets and financial liabilities (cont'd)

The Company	Note	Loans and receivables (Carried at amortised cost) $'000	Total $'000
31 December 2014			
Financial assets			
Trade and other receivables	15		
– Deposits		1	1
– Others		3	3
Advances to subsidiaries	16	65,337	65,337
Cash and cash equivalents	17	1,166	1,166
		66,507	66,507

		Other liabilities (Carried at amortised cost) $'000	Total $'000
Financial liabilities			
Borrowings	21	100,600	100,600
Advances from subsidiaries	16	149,408	149,408
Trade and other payables	24	874	874
		250,882	250,882

40 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications of financial assets and financial liabilities (cont'd)

The carrying amounts of financial assets and financial liabilities in each category are as follows:

The Company	Note	**Loans and receivables (Carried at amortised cost) $'000**	**Total $'000**
31 December 2013			
Financial assets			
Trade and other receivables	15		
– Deposits		1	1
– Others		4	4
Advances to subsidiaries	16	61,259	61,259
Cash and cash equivalents	17	2,250	2,250
		63,514	63,514

		Other liabilities (Carried at amortised cost) $'000	**Total $'000**
Financial liabilities			
Borrowings	21	95,360	95,360
Advances from subsidiaries	16	137,008	137,008
Trade and other payables	24	1,055	1,055
		233,423	233,423

41 FAIR VALUE MEASUREMENT

Fair value

FRS 113 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

The carrying amount of financial assets and financial liabilities with a maturity of less than one year is assumed to approximate their fair values.

41 FAIR VALUE MEASUREMENT (CONT'D)

41.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 : unobservable inputs for the asset or liability

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2014 and 31 December 2013:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 31 December 2014				
Assets				
Available-for-sale financial assets	**27,910**	**–**	**–**	**27,910**
Financial assets at fair value through profit or loss	**3,661**	**–**	**–**	**3,661**
At 31 December 2013				
Assets				
Available-for-sale financial assets	32,532	–	–	32,532
Financial assets at fair value through profit or loss	3,276	–	–	3,276

The fair value of financial instruments traded in active markets (such as available-for-sale equity investments and financial assets at fair value through profit or loss) is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

There were no transfers between Level 1 and Level 2 in 2014 or 2013.

41 FAIR VALUE MEASUREMENT (CONT'D)

41.2 **Fair value measurement of non-financial assets**

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2014 and 2013:

The Group	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
At 31 December 2014				
Investment properties				
Commercial offices and retail	**–**	**–**	**423,000**	**423,000**
Commercial retail	**–**	**74,107**	**–**	**74,107**
	–	**74,107**	**423,000**	**497,107**
At 31 December 2013				
Investment properties				
Commercial offices and retail	–	–	413,500	413,500
Commercial retail	–	71,659	–	71,659
	–	71,659	413,500	485,159

Measurement of fair value of non-financial assets

Fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the board of directors and audit committee at each reporting date.

Further information is set out below.

Investment properties – Commercial retail (Level 2)

Commercial investment properties are carried at fair values at the end of reporting period as determined by independent professional valuers. Valuations are made at least annually based on the properties' highest-and-best-use using the Direct Market Comparison Method that consider sales of similar properties that have been transacted in the open market. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre.

41 FAIR VALUE MEASUREMENT (CONT'D)

41.2 Fair value measurement of non-financial assets (cont'd)

Measurement of fair value of non-financial assets (cont'd)

Investment properties – Commercial offices and retail (Level 3)

The fair value of the offices are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. When actual rent differs materially from the estimated rents, adjustments have been made to the estimated rental value. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, the terms of in-place leases and expectations for rentals from future leases over the remaining economic life of the buildings. The office buildings are revalued at least annually on 31 December.

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions about vacancy levels and the capitalisation rate. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if capitalisation rate declines. The overall valuations are sensitive to all three assumptions. Management considers the range of reasonably possible alternative assumptions is greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs.

The inputs used in the valuations at 31 December 2014 were:

The Group	Commercial office	Commercial retail
At 31 December 2014		
Rental value	**$7,596,000**	**$14,425,000**
Vacancy levels	**5%**	**2%**
Capitalisation rate	**3.8%**	**4.8%**
At 31 December 2013		
Rental value	$7,583,000	$15,123,000
Vacancy levels	3%-5%	3%-5%
Capitalisation rate	3.85%	5%

41 FAIR VALUE MEASUREMENT (CONT'D)

41.2 Fair value measurement of non-financial assets (cont'd)

Level 3 fair value measurements

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 was as follows:

The Group	**Investment properties Commercial offices and retail $'000**
Balance at 1 January 2013	391,300
Acquisition during the year	51
Replaced components of improvement written off	(19)
Total amount included in profit or loss for unrealised gain on Level 3 assets	
– increase in fair value of investment property	22,168
Balance at 31 December 2013	**413,500**
Acquisition during the year	**143**
Replaced components of improvement written off	**(111)**
Total amount included in profit or loss for unrealised gain on Level 3 assets	
– increase in fair value of investment property	**9,468**
Balance at 31 December 2014	**423,000**

There were no changes in valuation techniques during the year. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers into or out of fair value hierarchy levels for financial years ended 31 December 2014 and 2013.

42 EVENTS AFTER END OF REPORTING PERIOD

Subsequent to end of reporting period, the Group has signed a letter of intent amounting to $4,200,000 for the addition and alteration to investment property at Liat Towers for the 1st to 4th storey and the change of use from office to shop for the 4th storey.

DISTRIBUTION OF
SHAREHOLDINGS
as at 16 March 2015

Issued & Fully Paid-Up Capital : 254,427,603
Number & Class of Shares : 402,167,668 Ordinary shares with equal voting rights

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	30	0.82	757	0.00
100 – 1,000	534	14.56	221,650	0.06
1,001 – 10,000	2,332	63.58	9,700,363	2.41
10,001 – 1,000,000	761	20.74	33,752,587	8.39
1,000,001 and above	11	0.30	358,492,311	89.14
Total:	3,668	100.00	402,167,668	100.00

LIST OF 20 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	GOLDVEIN HOLDINGS PTE. LTD.	240,026,769	59.68
2	NGO HENRY	85,357,128	21.22
3	UNITED OVERSEAS BANK NOMINEES	8,907,000	2.22
4	MORPH INVESTMENTS LTD	7,875,200	1.96
5	RAFFLES NOMINEES (PTE) LTD	4,906,913	1.22
6	DBS NOMINEES PTE LTD	2,843,208	0.71
7	CITIBANK NOMS S'PORE PTE LTD	2,742,880	0.68
8	NG POH CHENG	2,193,400	0.55
9	BANK OF S'PORE NOMS PTE LTD	1,503,953	0.37
10	NG SOO GIAP OR CHEW SOOI GUAT	1,072,800	0.27
11	OCBC NOMINEES SINGAPORE	1,063,060	0.26
12	CIMB SEC (S'PORE) PTE LTD	998,068	0.25
13	TSJENG PO KIANG	750,239	0.19
14	OCBC SECURITIES PRIVATE LTD	728,600	0.18
15	YEAP LAM HONG	719,200	0.18
16	TAN KAH BOH ROBERT@TAN KAH BOO	663,000	0.17
17	PLAZA DEVELOPMENT (PTE) LTD	542,000	0.13
18	KHOO LU-EN@LEN KO	534,000	0.13
19	UOB KAY HIAN PTE LTD	494,381	0.12
20	LEH BEE HOE	491,000	0.12
Total:		364,412,799	90.61

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC AS AT 16 MARCH 2015

Percentage of shareholdings held in the hands of the public is 17.19% and hence Rule 723 of the Listing Manual is complied with.

SUBSTANTIAL SHAREHOLDERS
(As shown in the Register of Substantial Shareholders)

	Direct Interest	Deemed Interest
Goldvein Holdings Pte. Ltd.		
– Ordinary Shares	* 240,026,769	–
Henry Ngo		
– In Own Name	***85,357,128	–
– United Overseas Bank Nominees (Private) Limited	–	**6,314,000

* *Henry Ngo, Patrick Tse, James Sookanan and Wilfred Hsieh are deemed to be interested in these shares by virtue of their shareholdings in Goldvein Holdings Pte. Ltd.*

** *held in trust for Allsland Pte Ltd, a company wholly owned by Henry Ngo*

*** *transfer from nominee to his own name*

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Sixth Annual General Meeting of the Company will be held at The Sheraton Towers Singapore, 39 Scotts Road, Topaz Room, Level 2, Singapore 228230, on Wednesday, 29 April 2015 at 2:00 p.m., to transact the following business:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2014 together with the Directors' Report and the Auditor's Report thereon. (Resolution 1)

2. To declare a first and final dividend (1-tier tax exempt) of 1.6 cents per share in respect of the financial year ended 31 December 2014 (2013: 1.5 cents per share (1-tier tax exempt)). (Resolution 2)

3. To re-elect Mr Chew Heng Ching, a Director retiring under Article 92 of the Articles of Association of the Company. (Resolution 3)

   Mr Chew Heng Ching will, upon re-election as Director of the Company, remain a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as Chairman of the Remuneration Committee and a member of the Nominating Committee.

4. To re-elect Mr Gary Xie Guojun, a Director retiring under Article 92 of the Articles of Association of the Company. (Resolution 4)

5. To consider, and if thought fit, to pass the following resolution:

   "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Tom Yee Lat Shing be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." (Resolution 5)

   Mr Tom Yee Lat Shing will, upon re-appointment as Director of the Company, remain as Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as a member of the Nominating Committee and Remuneration Committee.

6. To approve the payment of Directors' Fee of S$202,000 for 2014 (2013: S$195,000.00). (Resolution 6)

7. To re-appoint Foo Kon Tan LLP, as Auditor and to authorise the Directors to fix their remuneration. (Resolution 7)

As Special Business

8. Authority to issue shares

To consider, and if thought fit, to pass the following Ordinary Resolution (with or without amendments):

(a) "that, pursuant to Section 161 of the Companies Act, Cap. 50, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) notwithstanding the authority conferred by the shareholders may have ceased to be in force, issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always, that subject to any applicable regulations as may be prescribed by the Singapore Exchange Securities Trading Limited,

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50 per cent of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20 per cent of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of convertible securities, or

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

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

(Resolution 8)

[See Explanatory Note]

Any other business

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

By Order of the Board

Foo Soon Soo
Company Secretary

Singapore, 13 April 2015

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Note:

The Ordinary Resolution in item 8 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 per cent of the total number of issued shares excluding treasury shares of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20 per cent of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares excluding treasury shares of the Company for this purpose shall be the total number of issued shares excluding treasury shares at the time of this resolution is passed (after adjusting for new shares arising from the conversion of convertible securities or share options on issue at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Notes:

1. A Depositor's name must appear on the Depository Register not less than 48 hours before the time of the Meeting.

2. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead and any such proxy need not be a member of the Company.

3. The instrument appointing a proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting.

NOTICE OF BOOK CLOSURE DATE

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Forty-Sixth Annual General Meeting:

<u>FIRST AND FINAL DIVIDEND</u>

First and final dividend (1-tier tax exempt) of 1.6 cents per share, in respect of the year ended 31 December 2014 will be paid on 20 May 2015 to shareholders whose names appear in the Register of Members on 8 May 2015 as at 5.00 p.m. Accordingly, the Transfer Books and the Register of Members of the Company will be closed after 5.00 p.m. on 8 May 2015 to 10 May 2015, for the purpose of determining shareholders' entitlements to the proposed first and final dividend.

Registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte Ltd at 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721, up to 5.00 p.m., on 8 May 2015 will be registered before entitlements to the dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on 8 May 2015 will be entitled to such proposed dividend.

By Order of the Board

Foo Soon Soo
Company Secretary

Singapore, 13 April 2015

PROXY FORM

FORTY-SIXTH ANNUAL GENERAL MEETING
Bonvests Holdings Limited
Registration No. 196900282M
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. The Proxy Form is, therefore, not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ______________________________ (Name)

of ______________________________ (Address)

being a member/members of BONVESTS HOLDINGS LIMITED hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or [delete as appropriate]

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 2:00 p.m. on Wednesday, 29 April 2015 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Ordinary Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	For**	Against**
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2014 together with the Directors' Report and the Auditor's Report thereon.				
2.	To declare a first and final dividend (1-tier tax exempt) of 1.6 cents per share in respect of the financial year ended 31 December 2014.				
3.	To re-elect Mr Chew Heng Ching, a Director retiring under Article 92 of the Articles of Association of the Company.				
4.	To re-elect Mr Gary Xie Guojun, a Director retiring under Article 92 of the Articles of Association of the Company.				
5.	To re-appoint Mr Tom Yee Lat Shing, a Director pursuant to Section 153(6) of the Companies Act, Cap. 50.				
6.	To approve the payment of Directors' Fee of S$202,000 for 2014.				
7.	To re-appoint Foo Kon Tan LLP, as Auditor and to authorise the Directors to fix their remuneration.				
	Special Business				
8.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.				

* *Please indicate your vote "For" or "Against" with a "✓" within the box provided.*

** *If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this __________ day of __________ 2015.

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM

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 the number of shares is not inserted, this proxy form will be deemed to relate to the entire number of ordinary shares in the Company registered in your name(s).
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.
3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding or the number of shares to be represented by each proxy. If no such proportion or number is specified, the first-named proxy may be treated as representing 100 per cent of the shareholding and any second-named proxy as alternate to the first-named.
4. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the Registered Office at 541 Orchard Road #16-00, Liat Towers, Singapore 238881, not later than **2:00 p.m. on Monday, 27 April 2015.**
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing; or if such appointor is a corporation under its common seal, if any, and, if none, then under the hand of some officer duly authorised in that behalf. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.
6. 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, Cap. 50.
7. Please indicate with a "✓" in the appropriate space how you wish your proxy to vote. If this proxy form is returned without any indication as to how your proxy shall vote, he will vote or abstain from voting as he thinks fit.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or when 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 name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Please
Affix
Postage
Here

The Company Secretary
BONVESTS HOLDINGS LIMITED
541 Orchard Road #16-00
Liat Towers
Singapore 238881

Second Fold Here