

ATTILAN

**ANNUAL
REPORT**



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MANAGING DIRECTOR'S STATEMENT

Dear Shareholders,

Globally, businesses and companies continue to face an increasing complex and uncertain landscape in 2015. Against the headwinds, the Group continue its streamlining exercise while keeping an eye for suitable growth opportunities.

Financial review

Our revenue decreased by 32% or by S\$1.9 million from S\$6.0 million in FY2014 to S\$4.1 million in FY2015 as the Group recorded lower revenue from its media sales segment.

Our Group recorded a loss after tax of S\$5.3 million for FY2015 as compared to a loss after tax of S\$60.7 million for FY2014 mainly due to the recognition of lower fair value loss on the financial assets, at fair value through profit or loss, impairment loss on financial assets, available-for-sale, trade and other receivables, finance costs, employees benefits expenses and share of losses of associated company in the same year. The Group also recognized write back of impairment loss on trade and other receivables in the same year.

Operational and Corporate Development

As part of our streamlining exercise, the Company completed the disposal of wholly owned subsidiary, Portwell Investments Limited ("Portwell").

Media Content

Malaysia was rocked by a political scandal, low commodity which lead to the severe weakening of the Malaysian Ringgit. The implementation of Goods and Services Tax and cutting of subsidies in Malaysia have also dented both consumers' and investors' confidence.

As a result, our media sales were affected as the major clients of our wholly owned subsidiary, Hub Media Group Pte Ltd in Asia suffered a major currency devaluation loss

as the billings are mainly in United States Dollars (USD). As such, many contracts were delayed or pushed back by our customers hoping to see a recovery of their home currency against the USD.

Diversification

The Group has diversified into pre-school business in December 2015 which will enable the Group to gain a foothold in the pre-school business in Singapore. We are targeting to start its first pre-school by the first half of year 2016.

Outlook

In the midst of the difficult challenges and we expect the media business to recover and stabilise. At the same time, we believe our new pre-school business will be able to take advantage of the shortage of pre-schools in Singapore as well as tapping the market of busy, executive parents by opening our first centre at Keppel Tower.

Dissenting views of Director with regards to financial statements

With reference to the Company's announcement on 29 February 2016 in relation to the unaudited financial statements for the year ended 31 December 2015 and subsequent announcement on 21 March 2016 in response to the SGX's queries dated 14 March 2016 on the same subject matter, the Company wishes to update that there are dissenting views of the former Director who was the Audit Committee Chairman ("Former Director") and a member of the Audit Committee with the management on the accounting treatment of:-

- (1) Application of the equity accounting to an associated company following the transfer of the Group's economic rights in the associated company to a former subsidiary; and
- (2) The carrying amount of a bank loan of a subsidiary.

MANAGING DIRECTOR'S STATEMENT

For item (1), the former Director together with a member of the Audit Committee were of the view that as the Group had previously restructured its debts and surrendered most of the economic benefits relating to its interests in associate company, the Group should discontinue equity accounting of the associated company. The management has consulted the auditors and the auditors have advised the management that their view is that the investment in associate company meets the definition of paragraph 5 and 12 of FRS 28 and accordingly, the investment has to be accounted for as an associate and equity accounting would apply under the provisions of FRS 28.

For item (2), the former Director together with a member of the Audit Committee were of the view that the Loan ought to be fair-valued to zero as it requires no repayment. The management has consulted the auditors and the auditors have advised the management that their view is that the Loan granted to a subsidiary should be consolidated into the financial statements in accordance with paragraph 20 of FRS 110 because the holding company has control over the subsidiary through its 100% shareholdings and representation on the Board of Directors in the subsidiary. In addition, the subsidiary has not discharged all its obligations and has received no notice from the bank for a waiver thus, the Loan should remain as a liability of the Group.

The issues were discussed during the Board and Audit Committee Meetings held on 25 February 2016 and in order to comply with the timelines prescribed by the relevant listing rules to release the financial results, the Board of Directors had approved the release of the unaudited financial results for the year ended 31 December 2015 via a majority decision.

Appreciation

On behalf of the Board, I would like to extend our deepest appreciation to the loyal shareholders who have stood with the Company through the years. We look forward to your continued support in the next few years as we work towards transforming and turning the Company around.

The Board would also like to extend their appreciation to Mr. Yin Kum Choy, former Director and Audit Committee Chairman for his valuable contribution during his tenure.

Thank you.

Datuk Jared Lim Chih Li
Managing Director

PROFILE OF THE DIRECTORS

Datuk Jared Lim Chih Li

Managing Director

Datuk Jared Lim Chih Li is the Managing Director of Attilan Group Limited and also a Director of Chaswood Resources Holdings Ltd. He is also the founding partner of Tremendous Asia Partners, an Asian-owned and Locally-grown private equity fund focused on the consumers space in South East Asia.

Prior to joining Attilan Group Ltd in 2007, Datuk Jared was an investment banker with Avenue Securities and was responsible for the setting up of the corporate finance unit, eventually building it up to a 40 man strong unit with a strong track record in Equity Offerings, Restructurings, M&A and Bond Issues. Datuk Jared built a niche in Malaysia in cross border Equity Offerings involving PRC enterprises, which eventually led to his conviction that it was timely to start an Emerging East Asian private equity model.

Datuk Jared has a Bachelor's Degree in Economics and Accounting from the University of Bristol and has obtained a First Class in Masters of Finance from the University of Hull and the Chartered Financial Analyst (CFA) qualification.

PROFILE OF THE DIRECTORS

Mr Attlee Hue Kuan Yew

Independent Director

Mr Attlee Hue joined the Company in July 2007 as an Independent director. He is currently the Chairman of the Remuneration Committee and Nominating Committee.

Attlee was previously practicing as advocate and solicitor in Singapore for 15 years and Malaysia for 5 years. He is also qualified as a solicitor with England and Wales. He is specialized in corporate law and was involved in cross border and multi-jurisdictional investment structures tax, equity and debt fund raising.

After his stint as a lawyer, he and two other partners founded a private equity company known as AsiaEquity Partners Pte Ltd ("AsiaEquity"). He performed the role as the Managing Director of AsiaEquity. AsiaEquity was an exempt fund manager involved in various property transactions exceeding US\$500 million in the aggregate.

Attlee presently conducts seminars on investments particularly in the area of Real Estate Investments Trusts for which he has written a book on the subject matter.

Attlee has an Honours Degree in Law from The National University of Singapore and an MBA in Investment and Finance from the University of Hull which he obtained with Distinction. He is a CFA charterholder.

PROFILE OF THE DIRECTORS

Att Asavanund

Non- Executive Director

Mr Att Asavanund joined the Company in July 2014. He is currently a Director and Shareholder of Infinite Capital Company Limited, Thailand which provides advisory services to external clients in various areas including Mergers and Acquisitions, Fund Raising and Corporate Restructuring. Prior to that, Mr Asavanund has worked for various MNCs and Public Listed Companies in Thailand mainly in the Investment advisory roles. He is also the Audit Committee Chairman for M.K. Real Estate Development Public Company Limited.

Mr Asavanund has a Bachelor's of Liberal Arts and Science Degree, Major in Economics from the University of Illinois at Chicago, USA and a Masters of Business Administration, Major in Finance and Marketing, SASIN Graduate Institute of Business Administration, Chulalongkorn University in affiliation with The Wharton School of Business, the University of Pennsylvania and The Kellogg Business School, Northwestern University Thailand.

CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER

199906459N

BOARD OF DIRECTORS

Datuk Jared Lim Chih Li
Managing Director

Yin Kum Choy (Resigned w.e.f. 29 March 2016)
Independent Director

Attlee Hue Kuan Yew
Independent Director

Att Asavanund
Non-Executive Director

COMPANY SECRETARY

Thum Sook Fun

REGISTERED OFFICE

22 Cross Street
#03-54/61 South Bridge Court
China Square Central
Singapore 048421
Tel : (65) 6226 3771
Fax : (65) 6226 1655

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Ltd

AUDIT COMMITTEE

Yin Kum Choy (Resigned w.e.f. 29 March 2016)
Attlee Hue Kuan Yew
Att Asavanund

REMUNERATION COMMITTEE

Attlee Hue Kuan Yew - Chairman
Yin Kum Choy (Resigned w.e.f. 29 March 2016)
Att Asavanund

NOMINATING COMMITTEE

Attlee Hue Kuan Yew - Chairman
Yin Kum Choy (Resigned w.e.f. 29 March 2016)
Att Asavanund

SHARE REGISTRAR

RHT Corporate Advisory Pte. Ltd.
Six Battery Road #10-01
Singapore 049909

AUDITORS

Moore Stephens LLP
Public Accountants and Chartered Accountants
10 Anson Road
#29-15 International Plaza
Singapore 079903

Partner-in-Charge: Mr. Neo Keng Jin
[with effect from 2012]

WEBSITE

www.attilangroup.com

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain high standards of corporate governance, to promote transparency within the Company in the spirit of the Code of Corporate Governance (the "Code"). In line with the commitment by the Company to maintain high standards of corporate governance, the Company will continually review its corporate governance processes to strive to fully comply with the Code.

This report describes the Company's corporate governance processes and activities for the financial year ended 31 December 2015 ("FY2015") and up to the date of this report.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: *Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.*

The Board of Directors (the "**Board**") is collectively responsible for providing overall strategy and direction to the Management and the Group. Every Director is expected to act in good faith and always in the best interest of the Company.

The Board is entrusted with the oversight of the business performance and affairs of the Group. Apart from carrying out its statutory responsibilities, the Board oversees the formulation of the Group's long term strategic objective and directions, reviews and approves the Group's business and strategic plans and monitors the achievements of the Group's corporate objectives.

Matters requiring the Board's decision and approval include:-

- Corporate strategic direction, strategies and action plans;
- Authorization of acquisition/disposal, major funding proposals, investments, acquisitions and divestments proposals including the Group's commitment in term of capital and other resources;
- Share issuance and dividends and major corporate policies on key areas of operations;
- Announcement of quarterly and full year results and release of annual reports;
- Internal controls and risk management strategies and execution; and
- Appointment of directors and key management staff, including review of performance and remuneration packages.

CORPORATE GOVERNANCE REPORT

To facilitate effective execution of its functions, certain functions have been delegated to various Board Committees, which would submit its recommendations or decisions to the Board. The Board Committees constituted by the Board are:-

- (i) Nominating Committee ("NC");
- (ii) Remuneration Committee ("RC"); and
- (iii) Audit Committee ("AC").

Each of these Board Committees has its own terms of reference and the Committees are each chaired by an independent director.

The Board conducts meetings on a quarterly basis to coincide with the announcement of the Group quarterly and full year financial results, and as and when it deems necessary. Six (6) Board meetings were held in FY2015, of which four (4) were the regular quarterly meetings and two additional meetings were convened to discuss other important and strategic matters.

The Company's own constitution provides for Board meetings to be conducted by way of tele-conferencing or video-conferencing.

The approval of the Board is required for any matters which are likely to have a material impact on the Group's operating units and/or financial positions as well as matters other than in the ordinary course of business.

The attendance of the Directors at the Board and Board committee meetings held in the financial year were as follows:-

Meeting of the Board and Committees:	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held in FY2015	6	4	1	1
No. of meetings attended by the respective Directors				
Datuk Jared Lim Chih Li	6	N/A	N/A	N/A
Yin Kum Choy ⁽¹⁾	5	3	1	1
Attlee Hue Kuan Yew ⁽¹⁾	6	4	1	1
Att Asavanund ⁽²⁾	3	3	1	1

⁽¹⁾ Independent directors

⁽²⁾ Non-Executive director

Our Directors are provided with regular updates, particularly on the changes in relevant laws and regulations, industry developments, business initiatives and challenges and analyst and media commentaries on matters related to the Company. Updates on the relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts. They are also informed about matters such as the code of dealings in the Company's shares and staff share trading policy as they are privy to price sensitive information.

When a director is first appointed to the Board, the Company will arrange an orientation program for new Director to familiarize new appointee with the Group's business, operations, organization structure and corporate policies. The new Director is also briefed on the Company's corporate governance practices.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2: *There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

The Board currently has one (1) independent Director. The criteria of independence are based on the definition given in the Code. The Board considers an independent Director as one who has no relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgement of the Group's affairs.

The Board members are:

Datuk Jared Lim Chih Li	- Managing Director
Yin Kum Choy	- Independent Director (resigned w.e.f. 29 March 2016)
Attlee Hue Kuan Yew	- Independent Director
Att Asavanund	- Non Independent Non-Executive Director

The Directors bring with them a wealth of expertise and experience in areas such as accounting, finance, law, business and management, industry knowledge and strategic planning. The profiles of the existing Directors are set out in the "Board of Directors" section of this Annual Report. In conjunction with the resignation of Mr. Yin Kum Choy which took effect from 29 March 2016, the Board will endeavor to appoint a new Independent Director to fill the vacancy in the Board Committees to ensure compliance with the Companies Act (Cap 50) ("the Act"), Listing Rules of SGX ("Listing Rules") and the Code.

The independence of each Director is assessed and reviewed annually by the NC. Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code. For FY2015, the NC has determined that the existing Non-Executive Director is independent. None of the Independent Director has served on the Board beyond nine years from the date of his first appointment.

The Non-Executive Directors would constructively challenge and help to develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

To facilitate a more effective check on Management, Non-Executive Directors are encouraged to meet regularly without the presence of Management.

CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

Principle 3: *There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.*

The Company is cognizant of the principle that there should be a clear division of responsibility between the Chairman and the Chief Executive Officer ("CEO") (in our case, there is no Chairman and CEO, but in place thereof the Group has a Managing Director ("MD")). The MD is responsible for, inter alia, exercising control over quality, quantity and timeliness of flow of information between management and the Board, and assisting in ensuring compliance with our Company's guidelines on corporate governance. The MD is also responsible for the operations, strategic planning, business development and generally charting the growth of our Company.

Currently, Datuk Jared Lim is the Managing Director of the Company. The Company will consider appointing a new Chairman who would be an Independent and a Non-Executive Director to preserve good corporate governance practice.

There is no concentration of power as the Group is run objectively on a transparent basis as the Board feels that there is adequate representation of independence and Non-Executive Directors (at least half) on the Board. The Board is of the view that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence and there is good balance of power and authority with all critical committees chaired by Independent Directors.

Board Membership

Principle 4: *There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.*

The NC comprises the following members:

Attlee Hue Kuan Yew	- Chairman, Independent Director
Yin Kum Choy	- Member, Independent Director (resigned w.e.f. 29 March 2016)
Att Asavanund	- Member, Non-Executive Director

CORPORATE GOVERNANCE REPORT

The NC is responsible in the following matters:

- (a) review and recommend to the Board on the appointment and re-appointment of Directors to the Board;
- (b) determine whether or not a director is able to and has been adequately carrying out his duties as a director of the Company;
- (c) evaluate the performance and effectiveness of the Board as a whole and the contribution of each director;
- (d) review of training and professional development programs for the Board; and
- (e) review of the Board succession plans for directors.

When appointing new directors, the NC will, in consultation with the Board, evaluate and determine the selection criteria with due consideration to the mix of skills, knowledge and experience of the existing Board. The NC will evaluate potential candidates by undertaking background checks, assessing individual competency, management skills, relevant experience and qualification.

The NC notes the requirement under the Code for companies to fix the maximum number of listed company board representations that their directors may hold and to disclose this in their Annual Report. The NC will deliberate on this and details of such directorships and other principal commitments of the Directors will be disclosed in the next Annual Report in respect of the financial year ending 31 December 2016. As time requirements are subjective, the NC recognises that its assessment of each Director's ability to discharge his or her duties adequately should not be confined to the sole criterion of the number of his or her board representations. Thus, it will also take into account contributions by Directors during Board and Board Committee meetings and their attendance at such meetings, in addition to each of their principal commitments.

The NC is also responsible for recommending a framework for the evaluation of the Board's and each individual Director's performance for the approval of the Board, the results of which will be taken into consideration during the process of re-appointment of Directors to the Board. Relevant considerations in the evaluation may include attendance at the meetings of the Board and Board Committees, active participation during these meetings and the quality of his or her contributions. Each member of the NC will abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination.

For good corporate governance practice, all Directors, including Managing Director submit themselves for re-nomination and re-election at regular intervals of at least once in every three years. Article 91 of the Company's own constitution requires one-third of the Board, or the number nearest to but not less than one-third, to retire from office by rotation and be subject to re-election at the Company's Annual General Meeting ("AGM"). In addition, Article 97 of the Company's own constitution provides that a newly appointed Director must retire and submit himself for re-election at the next AGM following his appointment. Thereafter, he is subject to be re-elected at least once in every three years.

CORPORATE GOVERNANCE REPORT

The status of the members of the Board is as follow:

Name of Director	Appointment	Date last elected/appointed
Datuk Jared Lim Chih Li	Managing Director	29 April 2015
Attlee Hue Kuan Yew	Independent Director	29 April 2013
Att Asavanund	Non-Executive Director	29 April 2015

Mr. Attlee Hue Kuan Yew will be subject to the retirement by rotation but is eligible to re-election at the forthcoming AGM pursuant to Article 91 of the Company's own constitution.

The NC has reviewed and recommended to the Board that the retiring director, Mr. Attlee Hue Kuan Yew being eligible and having consented, be nominated for re-election at the forthcoming AGM.

The profile of our Directors can be found on page 4 to 6 of this Annual Report.

Board Performance

Principle 5: *There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.*

The fiduciary responsibilities of the Board include the following:

- to conduct itself with proper due diligence and care;
- to act in good faith;
- to comply with applicable laws; and
- to act in the best interests of the Company and its shareholders at all times.

In addition, the Board is charged with the key responsibilities of leading the Group and setting strategic directions. The Company is of the belief that the Group's performance and that of the Board are directly related. The Company assesses the Board's performance based on its ability to steer the Group in the right direction and the support it renders to the Management. For the purpose of evaluating each individual Directors' performance, the NC takes into consideration a number of factors including the Director's attendance, participation and contributions at the meetings of the Board and Board Committees, and other Company activities.

The NC has adopted a formal system of assessing the performance and effectiveness of the Board as a whole. The evaluation of the Board is conducted annually. The performance criteria for the Board evaluation covers, amongst others, size and composition of the Board, the Board's access to information, Board processes and accountability, Board performance in relation to discharging the Board's principal responsibilities and standards of conduct of the Board members.

CORPORATE GOVERNANCE REPORT

As part of the process, all Directors are required to complete a board evaluation questionnaire which is then collated by the Company Secretary and presented to the NC together with comparatives from the previous years' results. The evaluation exercise provides feedback from each Director, his view on the Board, procedures, processes and effectiveness of the Board as a whole.

For FY2015, the NC is generally satisfied with the Board performance evaluation results which indicated areas of strengths and those that could be improved further. In conjunction with the resignation of Mr. Yin Kum Choy which took effect from 29 March 2016, the Board will endeavor to appoint a new Independent Director to fill the vacancy in the Board Committees to ensure compliance with the Companies Act (Cap 50) ("the Act"), Listing Rules of SGX ("Listing Rules") and the Code. Save for that, no other significant issues were identified.

Access to Information

Principle 6: *In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

The Board has separate and independent access to the Management of the Group at all times. Request for information is dealt with promptly by the Management. The Board is informed of all material events and transactions as and when they occur. The information made available to the Directors is in various forms such as quarter and full-year financial results, progress reports of the Group's operations, corporate development, regulatory updates, business developments and audit reports. The Management also consults with Board members regularly whenever necessary and appropriate. The Board is issued with Board papers timely prior to Board meetings.

The Directors also have separate and independent access to the Company Secretary and the External Auditors at all times in carrying out their duties. The Company Secretary attends Board meetings and assists the Chairman of the Meeting in ensuring that Board procedures are followed so that the Board functions effectively and that the Company's own constitution, the Act, the Listing Rules and other relevant rules and regulations applicable to the Company are complied with. The Company Secretary also attends and prepares minutes for all Board meetings. The appointment and removal of the Company Secretary are decided by the Board as a whole.

The Board in furtherance of their duties can as a group or individually, when deemed fit, direct the Company, at the Company's expense, to appoint an independent professional adviser, to render professional advice.

REMUNERATION MATTERS

Procedures for developing remuneration policies

Principle 7: *There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.*

CORPORATE GOVERNANCE REPORT

The RC comprises the following members:

Attlee Hue Kuan Yew	- Chairman, Independent Director
Yin Kum Choy	- Member, Independent Director (resigned w.e.f. 29 March 2016)
Att Asavanund	- Member, Non-Executive Director

As recommended by the Code, the RC comprises entirely of Non-Executive Directors, majority of whom, including the RC Chairman, is independent.

The RC's key terms of reference include reviewing and deliberating upon the compensation package of the Executive Director and Key Executives; and also include employees who are related to the Substantial Shareholders or Directors. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind shall be reviewed by the RC. In determining remuneration packages of Executive Director and Key Executives, the RC will ensure that Directors and Key Executives are adequately but not excessively rewarded. The RC will also consider, in consultation with the Board, amongst other things, their responsibilities, skills, expertises and contribution to the Company's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent.

In discharging their duties, the RC may seek professional advice where necessary. All recommendations of the RC will be submitted for endorsement by the entire Board. The payment of fees to non-executive directors is subject to approval at the general meeting of the Company. No director is involved in deciding his own remuneration.

The Managing Director has entered into service contract with the Company. The service contract was reviewed by the RC in FY2013 and renewed for another 3 years until July 2016 and endorsed by the Board.

Level and Mix of Remuneration

Principle 8: *The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.*

In setting remuneration package for Executive Director and Key Management Personnel, the performance related elements of remuneration form a significant portion of the total remuneration package in order to align the Executive Director's and Key Management Personnel's interests with those of shareholders and to link rewards to corporate and individual performance. The RC will also take into consideration the pay and employment conditions within the industry and comparable companies.

The remuneration of Non-Executive Directors will also be reviewed to ensure that the remuneration commensurate with the contribution, effort and time spent, and the responsibilities of the Directors. The Directors' fee payable to Non-Executive Directors is subject to shareholders' approval at the Company's AGM.

Currently there are no contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Director and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The RC will review and consider recommending to the Board to implement such provisions.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

Principle 9: *Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.*

The breakdown of the remuneration of Directors for the financial year ended 31 December 2015 is as follows:

Directors	Salary & CPF	Fee	Bonus	Allowance and Other Benefits
S\$250,001 to S\$500,000				
Datuk Jared Lim Chih Li	100%	–	–	–
Below S\$250,000				
Yin Kum Choy	–	100%	–	–
Attlee Hue Kuan Yew	–	100%	–	–
Att Asavanund	–	100%	–	–

Non-Executive Directors are paid Directors' fees appropriate to their level of contribution to the Board, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate Directors. Directors' fees are recommended by the Board for shareholders' approval at the AGM.

The total remuneration paid to the top five key management personnel for FY2015 is S\$754,600.

The Board is of the opinion that it is not in the best interests of the Company to disclose:-

- (a) The total remuneration of each Director and Key Management Personnel in dollars terms, given the sensitivity and confidentiality of the remuneration matters; and
- (b) The name of its Key Management Personnel in order to ensure the Company's competitive advantage in the retention of its staff.

None of the employees of the Group whose annual remuneration exceeds S\$50,000 are immediate family members of the Managing Director or any other Directors of the Company.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: *The Board should present a balanced and understandable assessment of the company's performance position and prospect.*

In presenting its quarterly and full year financial results, it is the aim of the Board to provide the shareholders with a balanced and understandable assessment of the Company's performance, position and prospects through announcements via SGXNET.

In line with the SGX Listing Rules, the Board (save for the dissenting view from the former Director, Mr. Yin and one of the AC members, as disclosed in pages 2 and 3 of Annual Report) provides a negative assurance statement to the shareholders in respect of the interim financial statements. For the financial year under review, the Managing Director has provided assurance to the Board on the integrity of the Group's financial statements.

The Board is accountable to its shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to its shareholders in compliance with the statutory requirements and the SGX Listing Rule.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysis or simultaneously with such meetings. Financial results and Annual Reports are announced and issued within the statutory prescribed periods.

The Board meets on a quarterly basis where they are briefed on the performance of the Company and to deliberate on quarterly results. Additional Board meetings may be convened where necessary. Circular resolutions are also circulated to Board members together with the necessary information to allow the Board to make a balanced and informed assessment of any prospects.

Risk Management and Internal Controls

Principle 11: *The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.*

The Board believes in the importance of maintaining a sound system of risk management and internal controls to safeguard the interests of the shareholders and the Company's assets. The system of internal controls provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

As part of the annual statutory audit, the Company's external auditors conducted an annual review, in accordance with their audit plan, on the adequacy and effectiveness of the Company's risk management and material internal control systems, including financial, operational, compliance and information technology controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken on the recommendations made by the external auditors in this respect, if any.

CORPORATE GOVERNANCE REPORT

Based on the External Auditors' Reports, the actions taken by the Management, the on-going review and continuing efforts in enhancing internal controls and processes, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls and risk management that has been maintained by the Management throughout the financial year being reported on is adequate and effectively meets the needs of the Group in its current business environment, and addresses the financial, operational, compliance and information technology risks.

The Board has received assurance from the Managing Director and Chief Financial Officer that:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) regarding the effectiveness of the Company's risk management and internal control systems and have discussed with the Group's External and Internal Auditors of their respective reporting points and note that there has been no significant deficiencies in the internal controls which could adversely affect the Company's ability to report, process, summarize or report financial data.

The Board will reconstitute a Risk Management Committee to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies.

Audit Committee ("AC")

Principle 12 : ***The Board should establish an AC with written terms of reference which clearly set out its authority and duties.***

During the FY2015, the AC comprises three Board members, all of whom are non-executive and a majority are independent directors. The members are:

Yin Kum Choy	- Chairman, Independent Director (resigned w.e.f. 29 March 2016)
Attlee Hue Kuan Yew	- Member, Independent Director
Att Asavanund	- Member, Non-Executive Director

In conjunction with the resignation of Mr. Yin Kum Choy as Director of the Company, the existing composition of the AC is not in compliance with Listing Rules and is unable to meet the minimum number, i.e not less than three. However, the Company will endeavor to fill the vacancy within two months, but in any case not later than three months.

The AC carried out its functions in accordance with Section 201B(5) of the Act, and has been entrusted with the following functions:

- (a) review with the auditors the Audit plans, their evaluation of the system of internal controls, Audit Report and management letter;
- (b) review the financial statements before release to external and relevant parties;
- (c) review the scope and results of the internal audit function and ensuring co-ordination between the Internal and External Auditors and the Management;

CORPORATE GOVERNANCE REPORT

- (d) review the co-operation given by the Company's officers to the Auditors;
- (e) review the legal and regulatory matters that may have a material impact on the financial statements, related exchange compliance policies and programs and reports received from the regulators;
- (f) review the cost effectiveness, independence and objectivity of the Auditors;
- (g) review the nature and extent of non-audit services, if any, provided by the External Auditors and seek to balance the maintenance of objectivity and value for money;
- (h) nominate the appointment of External Auditor; and
- (i) review and ratify all interested person transactions to ensure that they comply with the approved internal control procedures and have been conducted at arm's length basis.

The Board ensured that the members of the AC are appropriately qualified to discharge their responsibilities whereby at least two members have relevant accounting or related financial management expertise or experience.

The AC meets at least four times a year and as frequently as is required. In particular, the AC meets to review the financial statements before announcement. In the year under review, the AC has met to review and approve the quarter and the full year unaudited results for announcement purposes. The AC also reviews proposed changes to the accounting policies and discusses accounting implications of major transactions including significant financial reporting issues.

The AC has met with the Auditors annually, without the presence of the Company's Management, to examine any other aspects of the Company's affairs, as it deems necessary, where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations. The AC has power to conduct or authorize investigations into any matters within the AC's scope of responsibility.

Pursuant to Rule 715 and Rule 716 of the SGX Listing Rules, the AC noted that the Company and its Singapore incorporated subsidiaries, are audited by Moore Stephens LLP, Singapore. The statutory audits of its Malaysian subsidiaries were audited by Moore Stephens Associates PLT, Malaysia who is a member of Moore Stephens International Limited and UHY, Chartered Accountants, Malaysia. The statutory audit of associated companies of the Group were audited by Moore Stephens LLP, Singapore and RT LLP, Singapore.

In compliance of Rule 712, Rule 715 and Rule 716, the AC and the Board confirm that they have considered the adequacy of the resources and experiences of the auditing firm and the engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity and the professional staff assigned to the audit before nominating the auditing firm as the Company Auditor. The list of subsidiaries and associated companies are listed in the Annual Report in Note 18 and 19 respectively.

CORPORATE GOVERNANCE REPORT

The AC undertook the review of the independence and objectivity of the External Auditors through discussions with the External Auditors as well as reviewing the non-audit services provided and the fees paid to them.

The audit fees paid to the External Auditors are as follows:

Auditors of the Group	S\$132,206
Other Auditors	<u>S\$8,191</u>
Total	<u>S\$140,397</u>

No fee is paid to the External Auditors for non-audit services in FY2015.

The AC is satisfied with the External Auditors' independence; hence has recommended the re-appointment of the External Auditors at the forthcoming AGM of the Company.

The Company had implemented a whistle-blowing policy and procedures whereby staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters for independent investigation and for appropriate follow up action.

Internal Audit

Principle 13: ***The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.***

The internal audit function will supplement and strengthen the effectiveness of the system of internal control which provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance risks. However, the Board notes that no system of internal control could provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The Company is currently discussing with several professional firms to finalise fee and scope of internal audit.

The Internal Auditor's primary line of reporting would be to the AC Chairman although the Internal Auditor would also report administratively to the Managing Director. The AC approves the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting / auditing firm or corporation to which the internal audit function is outsourced. The Internal Auditor has unfettered access to all the company's documents, records, properties and personnel, including access to the AC.

The AC would, at least annually, review the adequacy and effectiveness of the internal audit function.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14 : *Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.*

Shareholders are sufficiently informed of changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares.

Shareholders are informed of shareholders' meetings through notices contained in Annual Reports or circulars sent to all shareholders. These notices are also published in the press and posted onto the SGXNET.

If shareholders (other than a "Relevant Intermediary") are unable to attend the meetings, the Company's own constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Communication with Shareholders

Principle 15 : *Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.*

The Company believes that a high standard of disclosure is crucial to raising the level of corporate governance. All information relating to the Company's new initiatives are first disseminated via SGXNET followed by a news release (if appropriate), which is also available on the SGX-ST's website.

CORPORATE GOVERNANCE REPORT

The Company does not practise selective disclosure. Price sensitive information is first publicly released through SGXNET and results and Annual Reports are also announced or issued within the mandatory period. All shareholders of the Company receive a copy of the Annual Report and the Notice of AGM, which is held within four months after the close of financial year. The Notice is also advertised in the newspapers.

Material information concerning the Company are released via the SGXNET and in certain corporate exercises, press releases are also made by external public relations company engaged by the Company.

The Board solicits and understands the views of the shareholders through general meetings.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions and other factors as the directors may deem appropriate.

Notwithstanding the foregoing, any pay-out of dividends would be clearly communicated to shareholders via announcement released on SGXNET. For FY2015, no dividend is declared due to the Company's performance.

Conduct of Shareholder Meetings

Principle 16 : ***Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.***

At general meetings, shareholders are given opportunities to voice their views and ask the Board or Management questions regarding the Company. The Company's own constitution provides that shareholders of the Company are allowed to vote in person or by way of duly appointed proxy. The Company's own constitution currently do not allow a shareholder to vote in absentia.

At general meetings, separate resolutions will be set out on distinct issues for approval by shareholders.

The Chairman of the AC, RC and NC will normally be present at the general meetings to answer shareholders' queries. The External Auditors are also present to assist the Directors in addressing any relevant queries on the accounts from the shareholders.

Where it is felt that voting by way of a poll would be appropriate in the circumstances and to verify the intent of the shareholders, the Company would put the resolution to vote by poll and would make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

Statement of Compliance

The Board is pleased to confirm that for the financial year ended 31 December 2015, the Company has generally adhered to the principles and guidelines as set out in the Code save as disclosed otherwise.

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report is dated 8 April 2016.

Dealings in Securities

In compliance with Rule 1207 (19) of the SGX Listing Rules, the Company has in place a policy prohibiting share dealings by directors and officers of the Company during the period commencing two weeks prior to the announcement of quarter results and one month prior to the announcement of full year results (as the case may be); and ending on the date of announcement of the results. Directors and executive officers are expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods, and not deal in the Company's shares on short-term considerations. The implications of insider trading are clearly set out in the procedures and guidelines.

Interested Person Transactions

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. When a potential conflict of interest occurs, the Director concerned will be excluded from discussions and refrain from exercising any influence over other members of the Board. For the financial year reported on, there were no interested person transactions entered into. The Group does not have a general mandate from shareholders in relation to interested person transactions.

Material Contracts

There were no material contracts of the Company and its subsidiaries involving the interests of the Chairman, Managing Director, any Director or controlling shareholders.

Corporate Social Responsibility

Currently, the Company does not have in place CSR policies or practices. However, ad-hoc practices are adopted by certain investee companies when it arises.

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DIRECTORS' STATEMENT

The Directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015, and the balance sheet of the Company as at 31 December 2015.

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the balance sheet of the Company as set out on pages 31 to 137 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2015, and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, with reference to Note 2(a) to the financial statements there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due.

1 Directors

The Directors in office at the date of this statement are:

Datuk Jared Lim Chih Li
Attlee Hue Kuan Yew
Att Asavanund

2 Arrangements to Enable Directors to Acquire Shares or Debentures

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

3 Directors' Interests in Shares or Debentures

The Directors of the Company holding office at the end of the financial year had no interest in the share capital of the Company and its related companies as recorded in the register of directors' shareholdings except as follows:

The Company	Held in the name of a director		Deemed interest	
	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
<i>No. of ordinary shares</i>				
Datuk Jared Lim Chih Li	–	–	483,000,000	438,000,000

DIRECTORS' STATEMENT

3 Directors' Interests in Shares or Debentures (cont'd)

Datuk Jared Lim Chih Li who by virtue of his interest of not less than 20% of the issued share capital of the Company, is deemed to have an interest in the share capital of the subsidiaries as disclosed in Note 18 of the financial statements.

There was no change in any of the above-mentioned interest between the end of the financial year and 21 January 2016.

4 Options Granted

During the financial year, no option to take up unissued shares of the Company or its subsidiaries has been granted.

5 Options Exercised

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

6 Options Outstanding

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

7 Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

- Yin Kum Choy (Chairman) (Independent, non-executive) (resigned w.e.f. 29 March 2016)
- Attlee Hue Kuan Yew (Independent, non-executive)
- Att Asavanund (Non-executive)

DIRECTORS' STATEMENT

7 Audit Committee (cont'd)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Audit Committee reviewed:

- the audit plan of the Company's Independent Auditors and their report on the weaknesses of internal accounting controls arising from the statutory audit;
- the assistance given to the Independent Auditors by the Company's management; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2015, as well as the Independent Auditor's Report on the balance sheet of the Company and the consolidated financial statements of the Group.

Further details of the Audit Committee are disclosed in the Corporate Governance Report.

The Audit Committee has recommended to the Board that the Independent Auditors, Moore Stephens LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

8 Independent Auditors

Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept reappointment as Independent Auditors.

On behalf of the Board of Directors,

.....
DATUK JARED LIM CHIH LI

.....
ATLEE HUE KUAN YEW

Singapore
8 April 2016

INDEPENDENT AUDITORS' REPORT

To the members of Attilan Group Limited
(Formerly known as Asiasons Capital Limited)

We have audited the accompanying financial statements of Attilan Group Limited (formerly known as Asiasons Capital Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") as set out on pages 31 to 137, which comprise the balance sheets of the Company and of the Group as at 31 December 2015, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT

To the members of Attilan Group Limited
(Formerly known as Asiasons Capital Limited)

(cont'd)

Opinion

In our opinion, the financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015, and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2(a) to the financial statements which states that for the current financial year ended 31 December 2015, the Group incurred a net loss and total comprehensive loss of S\$5,311,982 and S\$2,382,048 (2014 restated: net loss and total comprehensive loss of S\$60,684,012 and S\$67,717,524) respectively and there was a net cash outflow from operating activities amounting to S\$615,863 (2014 restated: S\$1,224,628) and as of that date, the Group's current liabilities exceeded its current assets by S\$13,319,226 (2014 restated: S\$16,927,331).

The above conditions indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and to realise its assets and discharge its liabilities in the ordinary course of business. Nevertheless, the Directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2015 is appropriate after taking into consideration the following factors:

- (i) Management has prepared a cash flow forecast and is of the view that the Group will have sufficient cash resources to satisfy its working capital requirements and to meet its obligations as and when they fall due; and
- (ii) As disclosed in Note 37 to the financial statements, the Company has entered into a Supplemental Agreement to the Subscription Agreement dated 2 October 2015, in connection with the issuance of 1% unsecured equity linked redeemable structured convertible notes due 2018, with an aggregate principal amount of up to S\$50,000,000 in eight tranches.

INDEPENDENT AUDITORS' REPORT

To the members of Attilan Group Limited
(Formerly known as Asiasons Capital Limited)

Emphasis of Matter (cont'd)

In the event the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ from the amounts at which they are currently recorded in the balance sheet. In addition, the Group may have to provide for further liabilities which may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to these financial statements. Our opinion is not qualified in respect of this matter.

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.

Moore Stephens LLP

Public Accountants and
Chartered Accountants

Singapore
8 April 2016

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2015

		Group	
	Note	2015	2014
		S\$	S\$
			(Restated)
Revenue	4	4,078,670	6,039,791
Cost of media sales		(1,410,545)	(1,066,160)
Administrative expenses		(5,294,235)	(8,415,039)
Other income	5	7,269,154	1,336,017
Other expenses	6	(2,951,189)	(43,984,891)
Profit/(Loss) from operations		1,691,855	(46,090,282)
Finance income	7	3,893	1,756,553
Finance costs	8	(866,404)	(5,179,978)
Share of loss of associated companies	19	(6,301,794)	(12,143,145)
Loss before tax	10	(5,472,450)	(61,656,852)
Income tax benefit	11	160,468	972,840
Loss after tax		(5,311,982)	(60,684,012)
Loss attributable to:			
Owners of the Company		(5,306,454)	(61,297,183)
Non-controlling interest		(5,528)	613,171
		(5,311,982)	(60,684,012)
Loss per share attributable to owners of the Company			
Basic and diluted loss per share (cents)	32	(0.48)	(5.91)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Group	
	2015	2014
	S\$	S\$
		(Restated)
Loss after tax	(5,311,982)	(60,684,012)
Other comprehensive loss, net of tax:		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	(751,695)	(84,626)
Reclassification of foreign currency translation differences on disposal of subsidiaries	667,675	9,073
Reclassification of reserves on reclassification of associated company	185,623	–
Net fair value gain/(loss) on financial assets, available-for-sale	2,260,147	(7,343,402)
Share of other comprehensive income of associated companies:		
Exchange differences on translation of foreign operations	568,184	385,443
Other comprehensive income/(loss) for the year, net of tax	2,929,934	(7,033,512)
Total comprehensive loss for the year	(2,382,048)	(67,717,524)
Total comprehensive loss attributable to:		
Owners of the Company	(2,376,520)	(68,332,607)
Non-controlling interest	(5,528)	615,083
	(2,382,048)	(67,717,524)

The accompanying notes form an integral part of the financial statements

BALANCE SHEETS

As at 31 December 2015

	Note	Group 2015 S\$	2014 S\$ (Restated)	Company 2015 S\$	2014 S\$
ASSETS					
Current Assets					
Cash and bank balances	13	729,008	3,125,730	161,292	1,861,352
Financial assets, at fair value through profit or loss	14	–	1,550,000	–	–
Financial assets, available-for-sale	15	350,657	171,367	–	–
Trade receivables	16	24,531	27,540	–	–
Other current assets	17	1,485,992	1,976,086	554,216	446,309
Amounts due from subsidiaries	24	–	–	1,755,580	3,512,722
Total Current Assets		2,590,188	6,850,723	2,471,088	5,820,383
Non-Current Assets					
Investments in subsidiaries	18	–	–	141,498	1,956,031
Investments in associated companies	19	4,553,818	11,134,317	–	–
Financial assets, available-for-sale	15	5,031,403	24,213,949	–	–
Property, plant and equipment	20	701,511	946,616	619,769	818,402
Investment properties	21	2,195,648	2,239,351	–	–
Intangible assets	22	2,415,185	2,483,619	–	–
Loan receivable	23	–	–	–	–
Other non-current assets	17	261,926	–	136,835	–
Amounts due from subsidiaries	24	–	–	9,319,077	12,398,144
Goodwill	25	5,772,203	5,825,638	–	–
Total Non-Current Assets		20,931,694	46,843,490	10,217,179	15,172,577
Total Assets		23,521,882	53,694,213	12,688,267	20,992,960
Current Liabilities					
Trade and other payables	26	8,842,859	15,319,133	2,634,241	558,997
Income tax payable		1,639	–	–	–
Borrowings	28	7,064,916	8,458,921	22,698	21,741
Total Current Liabilities		15,909,414	23,778,054	2,656,939	580,738
Non-Current Liabilities					
Financial liabilities, at fair value through profit or loss	27	4,353,325	–	–	–
Other payables	26	–	24,078,582	–	1,100,000
Deferred tax liabilities	11	–	202,504	–	–
Borrowings	28	881,699	975,580	54,790	77,488
Total Non-Current Liabilities		5,235,024	25,256,666	54,790	1,177,488
Total Liabilities		21,144,438	49,034,720	2,711,729	1,758,226

The accompanying notes form an integral part of the financial statements

BALANCE SHEETS

As at 31 December 2015

[cont'd]

	Note	Group		Company	
		2015	2014	2015	2014
		S\$	S\$	S\$	S\$
			(Restated)		
Equity Attributable to Owners of the Company					
Share capital	29	119,912,067	119,912,067	119,912,067	119,912,067
Accumulated losses		(110,176,659)	(104,870,205)	(110,021,448)	(100,763,252)
Foreign currency translation reserve	30	865,650	383,940	85,919	85,919
Other reserve	30	(10,429,690)	(10,626,467)	–	–
Fair value reserve	30	2,181,604	(266,620)	–	–
Total Shareholders' Funds		2,352,972	4,532,715	9,976,538	19,234,734
Non-controlling interests		24,472	126,778	–	–
Total Equity		2,377,444	4,659,493	9,976,538	19,234,734
Total Liabilities and Equity		23,521,882	53,694,213	12,688,267	20,922,960

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

	Attributable to equity holders of the Company						Non-Controlling Interest	Total Equity
	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Fair Value Reserve	Other Reserves	Total		
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Group								
At 1 January 2015, (previously reported)	119,912,067	383,940	(101,958,477)	(266,620)	(10,626,467)	7,444,443	126,778	7,571,221
Prior year adjustments (Note 36)	–	–	(2,911,728)	–	–	(2,911,728)	–	(2,911,728)
At 1 January 2015 (restated)	119,912,067	383,940	(104,870,205)	(266,620)	(10,626,467)	4,532,715	126,778	4,659,493
Loss for the year	–	–	(5,306,454)	–	–	(5,306,454)	(5,528)	(5,311,982)
Other comprehensive income	–	481,710	–	2,448,224	–	2,929,934	–	2,929,934
Total comprehensive income/(loss)	–	481,710	(5,306,454)	2,448,224	–	(2,376,520)	(5,528)	(2,328,048)
Acquisition of additional interest in subsidiary (Note 18(c))	–	–	–	–	126,778	126,778	(126,778)	–
Acquisition of interest in subsidiary (Note 18(a)(iii))	–	–	–	–	69,999	69,999	30,000	99,999
Balance as at 31 December 2015	119,912,067	865,650	(110,176,659)	2,181,604	(10,429,690)	2,352,972	24,472	2,377,444
At 1 January 2014	113,671,814	75,962	(43,573,022)	7,076,782	(5,178,639)	72,072,897	454,120	72,527,017
(Loss)/Profit for the year	–	–	(61,297,183)	–	–	(61,297,183)	613,171	(60,684,012)
Other Comprehensive income/(loss)	–	307,978	–	(7,343,402)	–	(7,035,424)	1,912	(7,033,512)
Total comprehensive income/(loss)	–	307,978	(61,297,183)	(7,343,402)	–	(68,332,607)	615,083	(67,717,524)
Acquisition of additional interest in subsidiary (Note 18(c))	6,240,253	–	–	–	(5,447,828)	792,425	(792,425)	–
Dividend paid to non-controlling shareholder	–	–	–	–	–	–	(150,000)	(150,000)
Balance as at 31 December 2014 (restated)	119,912,067	383,940	(104,870,205)	(266,620)	(10,626,467)	4,532,715	126,778	4,659,493

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

	Group	
	2015	2014
	S\$	S\$
		(Restated)
Cash Flows from Operating Activities		
Loss before tax	(5,472,450)	(61,656,852)
Adjustments for:		
Depreciation and amortisation expenses	1,568,412	1,117,474
Dilution gain from investment in associated company to financial assets, available-for-sale	(457,249)	–
Fair value loss on financial assets, at fair value through profit or loss	15,979	11,625,000
Fair value gain on financial liability, at fair value through profit or loss	(740,333)	–
Finance costs	866,404	5,179,978
Finance income	(3,893)	(1,756,553)
Gain on disposal of financial assets, available-for-sale	(68,980)	–
Gain on disposal of property, plant and equipment	–	(147)
Gain on disposal of subsidiaries	(4,182,023)	(925,336)
Loss on disposal of financial assets, at fair value through profit or loss	810,023	415
Impairment loss on financial assets, available-for-sale	292,215	12,170,358
Impairment loss on goodwill	53,435	–
Impairment loss on intangible assets	65,125	–
Impairment loss on trade and other receivables	203,121	19,697,759
Share of loss of associated companies	6,301,794	12,143,145
Write back of impairment loss on trade and other receivables	(1,649,564)	–
Write-off of financial assets, available-for-sale	79,426	–
Write-off of other receivables	141,973	–
Unrealised foreign currency exchange loss	1,275,431	243,801
Operating cash flows before changes in working capital	(901,154)	(2,160,958)
Changes in working capital:		
Financial assets, available-for-sale	161,568	(3,133,311)
Financial assets, at fair value through profit or loss	723,998	7,560
Trade and other receivables and other current assets	1,486,803	(2,777,424)
Trade and other payables	(2,158,248)	7,418,015
Net cash used in operations	(687,033)	(646,118)
Income tax refund/(paid)	71,170	(578,510)
Net cash used in operating activities	(615,863)	(1,224,628)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

(cont'd)

	Group	
	2015	2014
	S\$	S\$
		(Restated)
Cash Flows from Investing Activities		
Deposits received	570,000	–
Interest received	3,893	28,475
Repayment of loan receivable	–	628,750
Purchase of intangible assets	(1,271,897)	(1,921,385)
Purchase of property, plant and equipment	(14,338)	(137,109)
Proceeds from disposal of property, plant and equipment	212	2,227
Net cash inflow from acquisition of subsidiaries (Note 18(a))	7,982	–
Net cash inflow/(outflow) from disposal of subsidiaries (Note 18(b))	1	(741,367)
Net cash used in investing activities	(704,147)	(2,140,409)
Cash Flow from Financing Activities		
Advances from related parties	446,920	–
Advances from investee companies	–	1,100,000
Advances from former subsidiary	772,916	3,679,293
Dividend paid to non-controlling shareholder	–	(150,000)
Fixed deposits pledged	–	3,000,000
Proceeds from borrowings	350,000	1,300,000
Repayment of borrowings	(2,263,620)	(12,300,097)
Repayment of finance leases	(29,562)	(28,254)
Interest paid	(353,366)	(346,331)
Net cash used in financing activities	(1,076,712)	(3,745,389)
Net decrease in cash and cash equivalents	(2,396,722)	(7,110,426)
Cash and cash equivalents at the beginning of the year	3,125,730	10,236,156
Cash and cash equivalents at the end of the year (Note 13)	729,008	3,125,730

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

1 General

The Company is incorporated and domiciled in Singapore with limited liability. It was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") Catalist until its transfer from the Catalist to the Main Board of the SGX-ST on 18 August 2010. The registered office and principal place of business of the Company is 22 Cross Street, #03-54/61 South Bridge Court, China Square Central, Singapore 048421.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries and associated companies are disclosed in Notes 18 and 19 to the financial statements respectively.

The Board of Directors has authorised the financial statements for issue on the date of the Directors' Statement.

2 Significant Accounting Policies

(a) Going Concern

For the financial year ended 31 December 2015, the Group incurred a net loss and total comprehensive loss of S\$5,311,982 and S\$2,382,048 (2014 restated: net loss and total comprehensive loss of S\$60,684,012 and S\$67,717,524) respectively and there was a net cash outflow from operating activities amounting to S\$615,863 (2014 restated: S\$1,224,628) and as of that date, the Group's current liabilities exceeded its current assets by S\$13,319,226 (2014 restated: S\$16,927,331).

The above conditions indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and to realise its assets and discharge its liabilities in the ordinary course of business. Nevertheless, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2015 is appropriate after taking into consideration the following factors:

- (i) Management has prepared a cash flow forecast and is of the view that the Group will have sufficient cash resources to satisfy its working capital requirements and to meet its obligations as and when they fall due; and
- (ii) As disclosed in Note 37 to the financial statements, the Company has entered into a Supplemental Agreement to the Subscription Agreement dated 2 October 2015, in connection with the issuance of 1% unsecured equity linked redeemable structured convertible notes due 2018, with an aggregate principal amount of up to S\$50,000,000 in eight tranches.

In the event the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ from the amounts at which they are currently recorded in the balance sheet. In addition, the Group may have to provide for further liabilities which may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(b) Basis of Preparation

The consolidated financial statements of the Group and the balance sheet of the Company are prepared in accordance with Singapore Financial Reporting Standards ("FRS") and the provisions of the Singapore Companies Act, Chapter 50. The financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

Adoption of New and Revised FRSs and Interpretations of FRSs ("INT FRSs")

For the financial year ended 31 December 2015, the Group has adopted the following new and revised FRS which are relevant to the Group and mandatory for application:

FRS 108 (revised) *Operating Segments*

The amendment requires an entity to disclose the judgement made by management in applying the aggregation criteria to operating segments and 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. As this is a disclosure standard, the adoption of the revised standard did not have any impact to on the Group's financial performance or financial position.

New and Revised FRSs Issued but not yet Effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but are not yet effective:

Description	Effective for annual periods beginning
Amendments to FRS 27 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 1 <i>Presentation of Financial Statements: Disclosure Initiative</i>	1 January 2016
Amendments to FRS 16 and FRS 38 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
Amendment to FRS 7 <i>Statement of Cash Flows</i>	1 January 2017
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(b) Basis of Preparation (cont'd)

New and Revised FRSs Issued but not yet Effective (cont'd)

The Group is in the process of assessing the impact of these standards and interpretations.

Amendments to FRS 27

Equity Method in Separate Financial Statements

The amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in the entity's separate financial statements. This is in addition to the accounting policy choice to account for such investments at cost less impairment, or fair value (in accordance with FRS 39), which currently exists and will continue to be available. Entities within the Group that have investments in subsidiaries, joint ventures and associates could consider an additional policy choice.

Amendments to FRS 1

Presentation of Financial Statements: Disclosure Initiative

The amendment to FRS 1 provides clarification on various aspects of financial statements presentation. Key clarifications relate to the interpretation of materiality requirements in FRS, extent of aggregation and disaggregation of financial information presented in the primary financial statements, presentation of sub-totals, and ordering of notes to the financial statements. The amendments also clarify that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will be subsequently reclassified to profit or loss.

Amendments to FRS 16 and FRS 38

Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that the use of the revenue-based method to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

It also clarified that the revenue-based method is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The presumption can be rebutted if either the intangible asset is contractually expressed as a measure of revenue; or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(b) Basis of Preparation (cont'd)

New and Revised FRSs Issued but not yet Effective (cont'd)

Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*

The amendments provide the following clarifications on the requirements when accounting for investment entities:

- An intermediate parent that is a subsidiary of an investment entity is exempted from preparing consolidated financial statements, even if its investment entity parent measures all of its subsidiaries at fair value.
- A parent company should not consolidate a subsidiary that provides services related to the investment activities of the parent if that subsidiary is an investment entity.
- A non-investment entity investor that applies the equity method to an associate/joint venture investment entity may retain the fair value measurement applied to the subsidiaries of the associate/joint venture investment entity.
- An investment entity that measures all of its subsidiaries at fair value should disclose the information that is required by FRS112.

Amendments to FRS 107

Financial Instruments: Disclosures

The amendment clarifies whether a servicing contract is considered to be “continuing involvement” in a transferred asset for the purpose of determining whether the disclosures in FRS 107.42A-42H are required. The disclosures need to be made if the servicing contract results in the transferor retaining an interest in the future performance of the transferred financial asset.

The amendment also clarifies that the offsetting disclosure requirements in FRS 107 that were effective from 1 January 2013 did not apply to interim financial statements prepared based on FRS 34, unless their omission will make the interim financial statements misleading.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(b) Basis of Preparation (cont'd)

New and Revised FRSs Issued but not yet Effective (cont'd)

Amendments to FRS 7

Statement of Cash Flows

The amendments require new disclosure about changes in liabilities arising from financing activities in respect of:

- (a) changes from financing cash flows;
- (b) changes arising from obtaining or losing control of subsidiaries or other businesses;
- (c) the effect of changes in foreign exchange rates;
- (d) changes in fair values; and
- (e) other changes.

The above disclosure also applies to changes in financial assets if cash flows from those financial assets are included in cash flows from financing activities.

FRS 115

Revenue from Contracts with Customers

FRS 115, published in November 2015, establishes a revised framework for revenue recognition based on the following five-step approach:

- Identification of the contracts;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations; and
- Recognition of revenue when (or as) an entity satisfies a performance obligation.

FRS 115 will replace the existing revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and INT FRS 113 *Customer Loyalty Programs*.

FRS 109

Financial Instruments

FRS 109, published in December 2015, prescribes the accounting requirements for financial instruments and replaces the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. FRS 109 prescribes a new classification and measurement framework for financial instruments, requires financial assets to be impaired based on a new expected credit loss model, changes the hedge accounting requirements, and carries forward the recognition and derecognition requirements for financial instruments from FRS 39.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation

(i) *Subsidiaries*

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 that control ceases.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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 are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet. 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.

Acquisition of businesses

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

(i) *Subsidiaries* (cont'd)

Acquisition of businesses (cont'd)

In business combinations achieved in stages, 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 Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill on the balance sheet. The accounting policy for goodwill is set out in Note 2(d). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Disposals of subsidiaries or businesses

When a change in the Company'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 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 FRS.

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

Please refer to the paragraph "Investments in subsidiaries and associated companies" in Note 2(h) for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

(ii) *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

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

(iii) *Associates*

Associates are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Investment in associates are accounted for in the consolidated financial statements using the equity method of accounting. Investments in associates in the consolidated balance sheet includes goodwill (net of any accumulated impairment losses) identified on acquisition and is assessed for impairment as part of the investment.

Investment in associates are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associates' post-acquisition profits or losses (including impairment losses) are recognised in the income statement as "share of profit/(loss) of associated companies" and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associates, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associates.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained equity interest in the equity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value and any proceeds from disposal is recognised in the income statement.

Gains or losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(d) Goodwill

Goodwill on acquisition of subsidiaries represents the excess of 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 fair value of the net identifiable assets acquired. Goodwill on acquisition of associated companies is included in the carrying amount of the investments.

Subsequently, goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or when circumstances change, indicating that goodwill might be impaired. If the Group's interest in the net fair value of the identifiable assets and liabilities exceeds the consideration transferred and the non-controlling interest in the acquiree, the Group will reassess whether it has correctly identified all of the assets acquired and liabilities assumed, and any excess thereafter is recognised as an income immediately.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of profit and loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2(u).

(e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances and fixed deposits with banks but exclude those amounts that were pledged to secure banking facilities granted to the Group.

(f) Financial Assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The designation of financial assets at fair value through profit or loss is irrevocable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

(i) *Classification* (cont'd)

Financial assets, at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

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 are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade receivables", "other assets excluding prepayments and tax recoverable" and "cash and cash equivalents" on the balance sheet.

Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on a trade-date basis - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On the disposal of a financial asset, the difference between the carrying amount and the sales proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(iv) Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss are subsequently carried at fair value. The fair value measurement considerations of the Group are disclosed in Note 2(g). Equity instrument that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets, at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on financial assets, available-for-sale are recognised separately in the income statement. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes. The currency translation differences resulting from changes in amortised cost of the asset are recognised in profit or loss and the other changes are recognised in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(v) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

(v) *Impairment* (cont'd)

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

Financial assets, available-for-sale

Significant or prolonged declines in the fair value of the equity security below its cost and the disappearance of an active trading market for the security because of financial difficulties are objective evidence that the security is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(g) 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) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are current bid prices.

The fair values of financial instruments that are not traded in an active market are determined by using a variety of methods and assumptions based on market conditions 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 analyses, are also used to determine the fair values of the financial instruments. However, if the probabilities of various estimates cannot be reasonably measured, the Group is precluded from measuring the instruments at fair value, and the financial instruments are measured at cost.

(h) Investments in Subsidiaries and Associated Companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On the disposal of investments in subsidiaries and associated companies, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(i) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Depreciation is calculated on a straight-line basis to write-off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Motor vehicles	- 5 years
Leasehold improvements	- Over the terms of the lease of 6 years
Office furniture and equipment	- 3 to 10 years

Subsequent expenditure relating to property, plant and equipment that has already been recognised, is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(i) Property, Plant and Equipment (cont'd)

The residual values, useful lives and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the item of property, plant and equipment.

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

(j) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, are stated at cost less accumulated depreciation. The cost of the investment properties are the amount of cash or cash equivalent given to acquire the asset. Depreciation is calculated based on a straight line basis over the remaining leasehold period of 54 years.

(k) Intangible Assets

Content License Fees

Acquired content license fees are initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the content license fees over their estimated useful lives of two to six years.

Production Costs

Costs of producing media content are initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the production has been completed and is ready for distribution. Amortisation is calculated using the straight-line method to allocate the cost of the production fees over their estimated useful lives based on the contract period that the production is expected to generate cash inflows.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision of the amortisation period or amortisation method are included in the consolidated income statement for the financial year in which the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(l) Impairment of Non-Financial Assets

(i) Goodwill

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associated company is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(ii) Property, plant and equipment

Investment properties

Intangible assets

Investments in subsidiaries and associated companies

Property, plant and equipment, investment properties, intangible assets and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(l) Impairment of Non-Financial Assets (cont'd)

- (ii) *Property, plant and equipment*
Investment properties
Intangible assets
Investments in subsidiaries and associated companies (cont'd)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in profit or loss.

(m) Financial Liabilities

An entity shall recognise a financial liability on its balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Financial liability is recognised initially at fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

Financial liabilities are classified as either "financial liability, at fair value through profit or loss" or "other financial liabilities".

Financial Liability, at fair value through profit or loss ("FVTPL")

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- b. the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(m) Financial Liabilities (cont'd)

Financial Liability, at fair value through profit or loss ("FVTPL") (cont'd)

- c. it forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liability, at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the other operating income in the consolidated statement of comprehensive income. Fair value is determined in the manner described in Note 35 (b).

Other financial liabilities

Other financial liabilities (including trade and other payables and borrowings), are initially measured at fair value, plus transaction costs and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integrated part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(n) Leases

(i) *When the Group is the lessee:*

The Group leases certain property, plant and equipment from third parties.

Finance leases

Leases of property, plant and equipment where the Group assumes substantially the risks and rewards of ownership are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised in the balance sheet as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair values of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charge is recognised in the consolidated income statement and allocated to each period during the lease term so as to achieve a constant periodic rate of interest on the remaining balance of the finance lease liability.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in the consolidated income statement on a straight-line basis over the period of the lease.

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

Contingent rents are recognised as an expense in the consolidated income statement when incurred. Rental costs under operating leases are charged to profit or loss on a straight-line basis over the period of the leases.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(n) Leases (cont'd)

(iii) When the Group is the lessor:

The Group leases out certain investment properties to third parties.

Operating leases

Assets leased out under operating leases are included in investment properties.

Rental income from operating leases (net of any incentives given to the lessees) are recognised in the profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in the profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in the profit or loss when earned.

(o) Financial Guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to the consolidated income statement over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for amounts higher than the unamortised amounts. In this case, the financial guarantees shall be carried at the expected amounts payable to the banks in the Company's balance sheet.

Intra-group transactions with regards to the financial guarantees are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(p) Borrowings and Borrowing Costs

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowing costs are charged to profit or loss when incurred.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period.

(q) Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. This includes the government managed retirement benefit plan such as the Central Provident Fund in Singapore. For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is a constructive obligation based on past practice.

(r) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

(s) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is recognised as follows:

(i) *Revenue from rendering of services*

Revenue from investment management and financial advisory services are recognised when the services are rendered in accordance with the terms of contractual agreements.

(ii) *Interest income*

Interest income is recognised on a time-proportion basis that takes into account the effective yield on the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(s) Revenue Recognition (cont'd)

(iii) Dividend income

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

(iv) Media sales

Revenue from rendering of distribution and production of media related services and products are recognised when the significant risk and rewards of ownership of the products have been transferred to the customer.

(t) Income Tax

Current income tax for current and prior periods is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

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 nor 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 and associated companies, 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:

- 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 substantially enacted by the balance sheet date; and
- based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, 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 directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(u) Currency Translation

(i) *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 are presented in Singapore Dollar ("presentation currency"), which is the Company's functional and presentation currency.

(ii) *Transactions and balances*

Transactions in currencies other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation differences 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 balance sheet date are recognised in profit or loss, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and a net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. 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.

(iii) *Translation of Group entities' financial statements*

The results and financial position of Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (1) Assets and liabilities are translated at the closing exchange rate at the financial reporting date;
- (2) Income and expenses for each statement presenting profit and loss and other comprehensive income (i.e. including comparatives) are all translated at exchange rate at the dates of the transactions;
- (3) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity. These currency translation differences are reclassified to profit or loss on disposal or partial disposal (i.e. loss of control) of the entity giving rise to such reserve; and
- (4) Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2 Significant Accounting Policies (cont'd)

(v) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Judgements in Applying the Group's Accounting Policies

Impairment of loans and receivables

Management assesses at each balance sheet date whether there is any evidence that loans and receivables are impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectible. To determine whether there is objective evidence of impairment, the Group and the Company considers factors such as the probability of insolvency, current economic trends and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables including loan receivable at the balance sheet date. The carrying amount of the Group and Company's loans and receivables as at 31 December 2015 was S\$1,055,119 and S\$11,749,281 respectively (2014 restated: S\$841,687 and S\$16,322,239) (Notes 16, 17, 23 and 24).

The Group and the Company recognised in profit or loss impairment losses amounting to S\$203,121 and S\$5,642,028 respectively (2014: S\$19,697,759 and S\$86,951,879) during the current financial year (Notes 16, 17, 23 and 24). The Group and Company wrote back an impairment loss on trade and other receivables amounting to S\$1,649,564 (2014: Nil) and S\$129,938 (2014: Nil) respectively during the current financial year (Notes 16 and 17).

Impairment of financial assets, available-for-sale

The Group reviews its debt securities classified as available-for-sale investments at each balance sheet date to assess whether they are impaired. The Group also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates, among other factors, the financial health and near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financial cash flow.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

(a) Critical Judgements in Applying the Group's Accounting Policies (cont'd)

Impairment of financial assets, available-for-sale (cont'd)

For the financial year ended 31 December 2015, the amount of impairment loss recognised for available-for-sale financial assets was S\$292,215 (2014: S\$12,170,358). The carrying amount of financial assets, available-for-sale as at 31 December 2015 was S\$5,382,060 (2014: S\$24,385,316). Further details are given in Note 15 to the financial statements.

Impairment of Goodwill

The Group tests goodwill for impairment annually in accordance with the accounting policy as disclosed in Note 2(l)(i). The recoverable amounts of cash-generating units ("CGUs") have been determined based on value-in-use calculations. These calculations require the use of estimates and assumptions. Changes to the estimates and assumptions will result in changes in the carrying values of goodwill arising from the acquisition of business.

During the current financial year, the Group made an impairment of S\$53,435 (2014: Nil) to profit or loss. As at 31 December 2015, the carrying amount of goodwill is S\$5,772,203 (2014: S\$5,825,638).

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires that directors estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Details of the estimation of the value in use are provided in Note 25.

Impairment of intangible assets

Intangible assets are tested for impairment whenever there are any evidence or indication that these assets may be impaired. The Group tests intangible assets for impairment in accordance with the accounting policy as disclosed in Note 2(l)(ii). The recoverable amount is determined as an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

During the current financial year, the directors considered the recoverability of the Group's intangible assets which includes content license fees and production costs amounting to S\$2,415,185 (2014: S\$2,483,619).

An impairment charge of S\$65,125 (2014: Nil) was recognised during the current financial year. The impairment charge arose mainly from certain productions which have been terminated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

(a) Critical Judgements in Applying the Group's Accounting Policies (cont'd)

Impairment of investments in associated companies

Investments in associated companies are tested for impairment whenever there is any evidence or indication that these assets may be impaired.

As at 31 December 2015, the Group performed an impairment test for the investment in associated companies as they continued to incur operating losses. Based on the assessment, the Group recognised an impairment loss of S\$4,139,868 (2014: S\$10,100,691) as at 31 December 2015 representing the write down of the investment in an associated company to its recoverable amount.

The recoverable amount of the investment in the associated company as at 31 December 2015 was determined based on fair value less costs of disposal, which is the market price of the quoted equity shares. The carrying amounts of the Group's investments in associated companies as at 31 December 2015 was S\$4,553,818 (2014: S\$11,134,317).

The fair value of the investment in associated company is derived from quoted market prices in an active market. The fair value was classified under Level 1 of the Fair Value Hierarchy (Note 35(b)).

Impairment of investments in subsidiaries

The Company assesses at each balance sheet date whether there is any objective evidence that the investments in subsidiaries are impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the subsidiaries' financial performance and financial position, changes in customer demand, consumer tastes and trends, and the overall economic environment.

The carrying amounts of the Company's investments in subsidiaries as at the balance sheet date and the movement in the allowance for impairment loss is disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

(b) Critical Accounting Estimates and Assumptions

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Estimated useful lives of content license fees

Content license fees are amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be two to six years (2014: three to six years). The carrying amount of these assets at the balance sheet date was S\$1,866,674 (2014: S\$2,024,965). The Group assesses annually the residual values and the useful lives of these assets and if expectations differ from the original estimates due to changes in the economic environment and the business outlook, such differences will impact the amortisation changes in the period in which such estimates are changed.

A 10% differences in the expected useful life of these assets from management's estimates would result in decreasing/increasing the carrying amount by approximately S\$128,000 (2014: S\$81,000).

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The valuation is done by the Investment Management Team together with the Chief Financial Officer, to determine and apply the appropriate valuation methodologies for fair value measurements.

In estimating the fair value of assets or liabilities, the Group utilises verifiable methodologies which includes market-observable data to the extent it is available. Where inputs are not available, the Group engages third party qualified valuers to perform the valuation. The team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Group will take into account the third-party valuation report when making its determination of an asset's or liability's fair market value.

The team will review fair value determinations regularly on a quarterly to yearly basis depending on the nature of the assets or liabilities. The Chief Financial Officer reports the team's findings to the Board of directors of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35(b).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

4 Revenue

	Group	
	2015	2014
	S\$	S\$
		(Restated)
Investment management income	1,702,440	2,439,712
Financial advisory services	–	1,187,584
Media sales	2,376,230	2,412,495
	<u>4,078,670</u>	<u>6,039,791</u>

5 Other Income

	Group	
	2015	2014
	S\$	S\$
Cost recovery from investee companies and related parties	38,420	184,088
Dilution gain on the transfer from investment in associated company to financial assets, available-for-sale	457,249	–
Fair value gain on financial liability, at fair value through profit or loss	740,333	–
Gain on disposal of financial assets, available-for-sale	68,980	–
Gain on disposal of property, plant and equipment	–	147
Gain on disposal of subsidiaries	4,182,023	925,336
PIC bonus and cash payout	48,924	121,868
Rental income	64,000	69,000
Write back of impairment loss on trade and other receivables	1,649,564	–
Others	19,661	35,578
	<u>7,269,154</u>	<u>1,336,017</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

6 Other Expenses

	Group	
	2015	2014
	S\$	S\$
Fair value loss of financial assets, at fair value through profit or loss	15,979	11,625,000
Foreign exchange loss	1,289,752	485,840
Loss on disposal of financial assets, at fair value through profit or loss	810,023	415
Impairment loss on financial assets, available-for-sale	292,215	12,170,358
Impairment loss on goodwill	53,435	–
Impairment loss on intangible assets	65,125	–
Impairment loss on trade and other receivables	203,121	19,697,759
Write-off of financial assets, available-for-sale	79,426	–
Write-off of other receivables	141,973	–
Others	140	5,519
	<u>2,951,189</u>	<u>43,984,891</u>

7 Finance Income

	Group	
	2015	2014
	S\$	S\$
Interest income from:		
- Bank and fixed deposits	3,669	17,933
- Loan receivable from investee company	–	1,738,619
- Other receivables	224	1
	<u>3,893</u>	<u>1,756,553</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

8 Finance Costs

	Group	
	2015	2014
	S\$	S\$
Interest expense on :		
- Borrowings	103,105	292,300
- Advances from former subsidiary	585,792	3,670,064
- Advances from investee companies	177,507	1,217,614
	<u>866,404</u>	<u>5,179,978</u>

9 Employee Benefits Expense

	Group	
	2015	2014
	S\$	S\$
Employees benefits expenses including directors' remuneration and fees	2,491,172	3,897,336
Contributions to defined contribution plans	167,163	269,783
Provision/(Write back) for unutilised leave	3,717	(22,359)
	<u>2,662,052</u>	<u>4,144,760</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

10 Loss Before Tax

This was arrived at after charging:

Amortisation of intangible assets (included in cost of sales)

Administrative expenses:

- Depreciation of property, plant and equipment (Note 20)
- Depreciation of investment properties (Note 21)
- Audit fees paid/payable to auditors of the Company
- Audit fees paid/payable to other auditors
- Rental of premises - operating leases
- Management fees

Group	
2015	2014
S\$	S\$
	(Restated)
1,275,206	812,592
249,503	261,178
43,703	43,704
132,206	146,542
8,191	52,089
447,382	483,635
445,750	699,688

No non-audit fees were paid to auditors of the Company in 2015 and 2014.

11 Income Taxes

(a) Income Tax Benefit

Income tax expense on results for the year consists of:

Current income tax

- current year
- write-back of prior year provision
- under-provision in prior years

Withholding tax

Deferred income tax

- current year
- (over)/under-provision in prior years

Income tax benefit recognised in profit or loss

Group	
2015	2014
S\$	S\$
	(Restated)
3,365	6,924
-	(1,589,787)
30,114	-
8,557	407,519
(63,387)	3,174
(139,117)	199,330
(160,468)	(972,840)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

11 Income Taxes (cont'd)

(a) Income Tax Benefit (cont'd)

Income tax varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2014: 17%) to loss before income tax as a result of the following differences:

	Group	
	2015	2014
	S\$	S\$
		(Restated)
Loss before tax	(5,472,450)	(61,656,852)
Less: Share of loss of associated companies	(6,301,794)	(12,143,145)
	829,344	(49,513,707)
Income tax expense/(benefit) at a statutory rate of 17% (2014: 17%)	140,988	(8,417,330)
Non-taxable items	(924,686)	(349,538)
Non-deductible items	403,963	8,625,663
Singapore statutory stepped income exemption	(3,894)	(25,925)
Tax rebates	–	(15,646)
PIC enhanced capital allowances	(15,960)	(3,952)
Utilisation of deferred tax asset, net	(12,377)	(37,730)
Unrecognised deferred tax assets	348,811	229,257
Under/(Over)-provision of current income tax in prior year	30,114	(1,589,787)
(Over)/Under-provision of deferred income tax in prior year	(139,117)	199,330
Effect of different tax rates in other countries	3,133	5,299
Withholding tax, net of foreign tax credit	8,557	407,519
Tax benefit	(160,468)	(972,840)

As at the balance sheet date, the Group has unabsorbed tax losses and capital allowances amounting to approximately S\$4,469,000 and S\$300,000 (2014 restated: S\$2,718,000 and S\$101,000) respectively, available for offsetting against future taxable income. The related tax benefits of approximately S\$817,400 (2014 restated: S\$484,000) arising from these unutilised tax losses and capital allowances have not been recognised in the financial statements as there is no reasonable certainty of their realisation in the future periods, in accordance with the accounting policy as stated in Note 2(t) to the financial statements. The availability of the unabsorbed tax losses and capital allowances for set off against future taxable income is subject to the tax regulations of the respective countries in which the Group companies are incorporated and approval by the relevant tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

11 Income Taxes (cont'd)

(a) Income Tax Benefit (cont'd)

The non-deductible items in the current financial year mainly relate to fair value loss on financial assets, at fair value through profit or loss and impairment losses on financial assets, available-for-sale and trade and other receivables.

The non-taxable items in the current financial year mainly relate to the gain on disposal of subsidiaries.

Deferred tax liabilities of Nil (2014: S\$271,000) have not been recognised for taxes that would be payable on the remittance to Singapore of unremitted retained earnings of Nil (2014: S\$1,593,000) of certain subsidiaries as the timing of the reversal of the temporary differences arising from such amounts can be controlled and such temporary differences are not expected to reverse in the foreseeable future.

(b) Movement in deferred income tax liabilities

	Accruals, reserves and others	Intangible assets	Total
	S\$	S\$	S\$
Group			
<u>2015</u>			
Balance at 1 January	–	(202,504)	(202,504)
Recognised in income statement	–	202,504	202,504
Balance at 31 December	–	–	–
<u>2014 (Restated)</u>			
Balance at 1 January	(1,224)	–	(1,224)
Disposal of subsidiary	1,224	–	1,224
Recognised in income statement	–	(202,504)	(202,504)
Balance at 31 December	–	(202,504)	(202,504)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

12 Related Party Transactions

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others, who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

- (a) In addition to the information disclosed elsewhere in the financial statements, the information on related parties transactions are disclosed as follows:

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
<i>Subsidiaries:</i>				
Management fee	–	–	146,000	1,694,000
Dividend income	–	–	–	514,468
<i>Related party:</i>				
Branding and communication consultancy income	–	72,000	–	72,000

- (b) Key Management Personnel Compensation

Key management personnel compensation is as follows:

	Group	
	2015	2014
	S\$	S\$
Directors' fees	96,000	131,742
Salaries and other short-term employee benefits	1,396,799	1,719,169
Contributions to defined contribution plan	51,625	36,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

12 Related Party Transactions (cont'd)

(b) Key Management Personnel Compensation (cont'd)

The above amounts are included under employee benefits expenses (Note 9). Included in the salaries and other short-term employee benefits are directors' remuneration of S\$386,400 (2014: S\$515,200).

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company and the Group, directly or indirectly.

(c) Directors' Remuneration

The following information relates to the remuneration of directors of the Company during the financial year:

	Company	
	2015	2014
Number of directors of the Company in remuneration bands:		
- S\$250,000 to below S\$500,000	1	1
- Below S\$250,000	3	3
Total	<u>4</u>	<u>4</u>

13 Cash and Cash Equivalents

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
Cash in banks	726,092	3,123,143	161,292	1,861,248
Cash on hand	2,916	2,587	–	104
	<u>729,008</u>	<u>3,125,730</u>	<u>161,292</u>	<u>1,861,352</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

14 Financial Assets, at Fair Value through Profit or Loss

	Group	
	2015	2014
	S\$	S\$
Held for trading:		
Listed equity securities - Singapore		
Beginning of the financial year	1,550,000	13,182,975
Fair value loss recognised in profit or loss	(15,979)	(11,625,000)
Currency alignment	32,392	(1)
Disposals	(1,566,413)	(7,974)
At the end of the financial year	-	1,550,000

During the previous financial year, the fair value of the listed equity securities is determined by reference to the stock exchange quoted bid prices. As at 31 December 2015, no listed equity securities are pledged as securities for bank term loan and facilities as disclosed in Note 28(a) (2014: S\$1.55 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15 Financial Assets, Available-for-Sale

	Group	
	2015	2014
	S\$	S\$
Beginning of the financial year	24,385,316	40,765,765
Additions	8,907	3,109,443
Disposals	(101,495)	–
Disposal of subsidiary (Note 18(b)(i))	(22,748,399)	–
Reclassification from investment in associated company	642,872	–
Net fair value gain/(losses) recognised in other comprehensive Income	2,260,147	(7,343,402)
Impairment losses recognised in profit or loss	(292,215)	(12,170,358)
Write-off recognised in profit or loss	(79,426)	–
Foreign exchange losses recognised in profit or loss	–	(708,756)
Currency alignment	1,306,353	732,624
At the end of the financial year	5,382,060	24,385,316
Less: Current portion	350,657	171,367
Non-current portion	5,031,403	24,213,949
Financial assets, available-for-sale are analysed as follows:		
<u>Unquoted:</u>		
- At cost*		
Debt securities	2	88,982
Equity shares	62,710	62,710
- At fair value		
Equity participation	4,968,691	24,141,683
<u>Quoted:</u>		
Equity shares	350,657	91,941
	5,382,060	24,385,316
Comprises:		
- Direct investments	413,367	62,710
- Investments in funds	4,968,693	24,322,606
	5,382,060	24,385,316

* Fair value information has not been disclosed for the Group's financial assets, available-for-sale that are carried at cost because fair value of this equity security cannot be measured reliably. These securities are not quoted on any market and there were also no recent observable arm's length transactions in the shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15 Financial Assets, Available-for-Sale (cont'd)

Investments in the funds represent the financial assets, available-for-sale, placed with Dragonrider Opportunity Fund L.P. and TAP Harimau Fund L.P. (collectively referred to as the "Funds").

As at 31 December 2015, the quoted equity shares with fair value amounting to S\$350,657 (2014: Nil) are pledged as security for a bank term loan as disclosed in Note 28(b)(ii).

During the current financial year, the Group recognised the following impairment losses:

- (i) Impairment loss of S\$292,215 (2014: S\$364,228) for quoted equity instruments as there were "significant" or "prolonged" decline in the fair value of these investments below their carrying amounts. The Group treats "significant" generally as 20% and "prolonged" as greater than 6 months.
- (ii) Impairment loss of Nil (2014: S\$11,806,130) for unquoted debt securities after taking into consideration the probability of default and significant delay in repayments by the debtors.

16 Trade Receivables

	Group	
	2015	2014
	S\$	S\$
Trade receivables	356,420	400,587
Less: Allowance for impairment losses	(331,889)	(373,047)
	<u>24,531</u>	<u>27,540</u>

The average credit period granted to trade receivable customers, excluding all items provided for, ranges from 60 days to 90 days.

Movement in the allowance for impairment account during the financial year are as follows:

	Group	
	2015	2014
	S\$	S\$
At 1 January	373,047	–
Charge to profit or loss	–	373,047
Write back of impairment loss	(60,000)	–
Currency alignment	18,842	–
At 31 December	<u>331,889</u>	<u>373,047</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

17 Other Assets

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
	(Restated)			
<u>Current Assets</u>				
Amounts due from the Funds	2,671,017	3,612,880	–	–
Amounts due from related parties	166,982	205,549	55,752	113,723
Amount due from former subsidiaries	–	91,028	–	13,466
Amounts due from investee companies	321,016	875,999	307,333	338,529
Loan to investee company	1,350,000	1,350,000	–	–
Accrued interest and dividend receivable from investee companies	2,583,414	2,682,421	–	–
Deposits	444,237	145,740	442,740	143,665
Others	157,260	76,089	39,297	36,141
Total other receivables	7,693,926	9,039,706	845,122	645,524
Less: Allowance for impairment losses	(6,925,264)	(8,225,559)	(307,333)	(234,151)
	768,662	814,147	537,789	411,373
Tax recoverable	–	148,075	–	–
Prepayments	717,330	1,013,864	16,427	34,936
	1,485,992	1,976,086	554,216	446,309
<u>Non-current Assets</u>				
Deposits	261,926	–	136,835	–

The loan due from an investee company amounting to S\$1,350,000 (2014: S\$1,350,000) is secured by personal guarantees of the investee company's directors and carried an interest of 10% per annum (2014: 10% per annum).

The amounts due from funds are unsecured, non-trade in nature, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

17 Other Assets (cont'd)

Movement in the allowance for impairment account during the financial year are as follows:

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
At 1 January	8,225,559	725,345	234,151	–
Charge to profit or loss	203,121	7,287,262	203,121	234,151
Write back recognised in profit or loss	(1,589,564)	–	(129,939)	–
Currency alignment	86,148	212,952	–	–
At 31 December	6,925,264	8,225,559	307,333	234,151

18 Investments in Subsidiaries

	Company	
	2015	2014
	S\$	S\$
Unquoted equity shares at cost		
At the beginning of the financial year	1,956,031	7,756,037
Disposals	–	(6,000,006)
Additional investments	2	200,000
At the end of the financial year	1,956,033	1,956,031
Less: Allowance for impairment loss	(1,814,535)	–
	141,498	1,956,031

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

18 Investments in Subsidiaries (cont'd)

The subsidiaries held by the Company are as follows:

**Name of subsidiary, country of incorporation,
place of operation and principal activity**

**Effective interest
held by the Group**

2015 2014

% %

Held by the Company

Attilan Investment Ltd., British Virgin Islands ^(a)
(formerly known as: Asiasons Investment Ltd.)
Investment holding

100 100

TAP Partners Sdn. Bhd., Malaysia ^(b)
(formerly known as: Asiasons Partners Sdn. Bhd.)
Alternative asset investment and management

100 70

TAP Private Equity Inc, Cayman Islands ^(a)
(formerly known as: Asiasons Private Equity Inc)
Alternative asset investment and management

100 100

TAP Private Equity Pte. Ltd. Singapore ^(c)
Fund management

100 100

HOL International Pte. Ltd. ^(e)
Infant care and child care

70 –

Held by Attilan Investment Ltd.

Attilan Ventures Pte. Ltd., Singapore ^(c)
(formerly known as: Asiasons Consumer Ventures Pte. Ltd)
Investment holding

100 100

Attilan Investment (Thailand) Sdn. Bhd., Malaysia ^(b)
(formerly known as: Asiasons Investment (Thailand) Sdn. Bhd.)
Investment holding

100 100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

18 Investments in Subsidiaries (cont'd)

**Name of subsidiary, country of incorporation,
place of operation and principal activity**

**Effective interest
held by the Group**

2015	2014
%	%

Held by the Attilan Investment Ltd. (cont'd)

Posh Corridor Sdn. Bhd., Malaysia ^(d)
Investment holding

100 100

Portwell Investments Limited, British Virgin Islands
Investment holding

– 100

Vibrant Coast Management Ltd, British Virgin Islands ^(a)
Investment holding

100 100

Hub Media Group Pte. Ltd., Singapore ^(c)
Media distribution, licensing and content production services

100 100

Held by TAP Private Equity Pte. Ltd.

TAP Venture Fund I Pte. Ltd., Singapore ^(c)
Fund management

100 100

^(a) Statutory audit not required in its country of incorporation. Audited by Moore Stephens LLP for consolidation purposes.

^(b) Audited by Moore Stephens Associates PLT, Malaysia, a member of Moore Stephens International Limited.

^(c) Audited by Moore Stephens LLP, Singapore.

^(d) Audited by UHY, Chartered Accountants, Malaysia.

^(e) Statutory audit not required as the subsidiary is a newly incorporated entity during the current financial year. Audited by Moore Stephens LLP for consolidation purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

18 Investments in Subsidiaries (cont'd)

(a) Acquisition of Subsidiaries

- (i) On 30 October 2015, the Company acquired the remaining 30% paid up capital of TAP Partners Sdn. Bhd. The total purchase consideration amounted to S\$1. The Group recognised an increase in other reserves and decrease in non-controlling interests of S\$126,778.
- (ii) On 16 December 2015, the Company acquired a 70% equity interest in HOL International Pte. Ltd. ("HOL") for a total consideration of S\$1. From 16 December 2015 to 31 December 2015, HOL contributed a loss of S\$18,425 to the Group's results. If the acquisition had occurred on 1 January 2015, management estimated that there would have been no significant changes to the Group's revenue and loss before income tax.

The fair value of the identifiable assets and liabilities acquired amounted to S\$100,000. The identifiable assets acquired and liabilities assumed at the acquisition date were as follows:

	At Book Value S\$	At Fair Value S\$
Cash at bank	7,982	7,982
Other receivables	125,091	125,091
Other payables	(33,073)	(33,073)
Total identifiable net assets	100,000	100,000
Non-controlling interest' proportionate shares of net assets		(30,000)
Other reserves – contribution from non-controlling interest		(69,999)
Total purchase consideration		1
Less: Amount owing to HOL		(1)
Add: Cash and cash equivalent acquired		7,982
Net cash inflow on acquisition of subsidiary		7,982

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

18 Investments in Subsidiaries (cont'd)

(b) Disposal of Subsidiaries

- (i) On 17 November 2015, the Company disposed of its entire shareholding in Portwell Investments Limited for a total consideration of S\$1. The Group recognised a gain on disposal of S\$4,182,023 in the consolidated income statement for the current financial year ended 31 December 2015.

The identifiable assets and liabilities disposed were as follows:

	2015
	<u>Carrying Amount</u>
	S\$
Financial assets, at fair value through profit or loss	5,093,658
Financial assets, available-for-sale	22,748,399
Other receivables	14,018
Other payables	<u>(32,705,773)</u>
Total identifiable net liabilities	(4,849,698)
Net foreign currency reserves realised upon disposal	667,676
Gain on disposal of subsidiary	<u>4,182,023</u>
Consideration received	1
Less: Cash and cash equivalent of disposed subsidiary	<u>-</u>
Net cash inflow on disposal of subsidiary	<u><u>1</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

18 Investments in Subsidiaries (cont'd)

(b) Disposal of Subsidiaries (cont'd)

- (ii) On 6 May 2014, the Company disposed of its entire shareholding in Tremendous Asia Management Inc. and Tremendous Asia Partners Inc for a total consideration of S\$2. The Group recognised a gain on disposal of S\$852,354 in the consolidated income statement for this transaction.

The identifiable assets and liabilities disposed were as follows:

	2014
	<u>Carrying Amount</u>
	S\$
Cash at bank	539,542
Other current assets	103,087
Other payables	<u>(1,490,994)</u>
Total identifiable net liabilities	(848,365)
Net foreign currency reserves realised upon disposal	(3,987)
Gain on disposal of subsidiaries	<u>852,354</u>
Consideration received	2
Less: Cash and cash equivalent of disposed subsidiaries	<u>(539,542)</u>
Net cash outflow on disposal of subsidiaries	<u>(539,540)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

18 Investments in Subsidiaries (cont'd)

(b) Disposal of Subsidiaries (cont'd)

- (iii) On 5 September 2014, the Company disposed of its entire shareholding in Tremendous Asia Partners (Malaysia) Ltd for a total consideration of S\$5,416. The Group recognised a gain on disposal of S\$72,982 in the consolidated income statement for this transaction.

The identifiable assets and liabilities disposed were as follows:

	2014
	<u>Carrying Amount</u>
	S\$
Cash at bank	9,103
Other current assets	301
Other payables	<u>(78,682)</u>
Total identifiable net liabilities	(69,278)
Foreign currency reserves realised upon disposal	1,712
Gain on disposal of subsidiary	<u>72,982</u>
Consideration received	5,416
Less: Cash and cash equivalent of disposed subsidiary	<u>(9,103)</u>
Net cash outflow on disposal of subsidiary	<u>(3,687)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

18 Investments in Subsidiaries (cont'd)

(b) Disposal of Subsidiaries (cont'd)

- (iv) On 23 December 2014, the Company disposed of its entire shareholding in Xandar Capital Pte. Ltd. for a total consideration of S\$500,000. There was no gain or loss on disposal recognised in the consolidated income statement for this transaction.

The identifiable assets and liabilities disposed were as follows:

	2014
	<u>Carrying Amount</u>
	S\$
Cash at bank	698,140
Trade receivables	207,424
Property, plant and equipment (Note 20)	14,684
Other current assets	125,150
Other payables	(544,174)
Deferred tax liabilities	(1,224)
Total identifiable net assets	500,000
Gain on disposal of subsidiary	–
Consideration received	500,000
Less: Cash and cash equivalent of disposed subsidiary	(698,140)
Net cash outflow on disposal of subsidiary	(198,140)

Prior to disposal, Xandar Capital Pte. Ltd. repurchased 10% of its shares for a total consideration of S\$5,500,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

18 Investments in Subsidiaries (cont'd)

- (c) The effect of changes in the ownership interest in the subsidiaries on the equity attributable to owners of the Company during the year is summarised as follows:

	2015	2014
	S\$	S\$
Carrying amount of non-controlling interests acquired	126,778	792,425
Consideration transferred by way of share issue (Note 29)	–	(6,240,253)
Excess of consideration over the share of fair value of the net assets acquired	126,778	(5,447,828)

- (d) Impairment testing of Investment in Subsidiaries

During the current financial year, management performed an impairment test for certain subsidiaries in view of the operating losses incurred. An impairment loss of S\$1,814,535 (2014: Nil) was recognised as the carrying amounts of the investments exceeded the recoverable amount. The recoverable amounts of the investments in these subsidiaries have been determined based on value-in-use calculated using cash flow projections from financial budgets approved by management covering a 3 to 5 years period. The pre-tax discount rate applied to the cash flow projection and the forecasted growth rate used to extrapolate cash flow projections was 7.48% - 8.87% and 0% respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

19 Investments in Associated Companies

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
Quoted equity shares, at cost	24,754,260	32,949,031	–	–
Unquoted equity shares	4	8	–	–
	24,754,264	32,949,039	–	–
Less:				
Share of post-acquisition accumulated losses	(5,959,887)	(11,714,031)	–	–
Impairment losses	(14,240,559)	(10,100,691)	–	–
	4,553,818	11,134,317	–	–
Fair value:				
Quoted equity shares	4,553,814	12,125,076	–	–

As at 31 December 2015, the quoted shares in an investment in associated companies with fair value amounting to S\$3,751,554 (2014: S\$10,163,996) are pledged as security for a bank term loan as disclosed in Note 28(b)(ii) and to a Fund for a former subsidiary's secured redeemable notes.

Details of the associates held by the Group are as follows:

Name of associated company, country of incorporation, place of operation and principal activity	Effective interest held by the Group	
	2015	2014
	%	%
Chaswood Resources Holdings Ltd., Singapore ⁽¹⁾ <i>Restaurant operator and investment holdings</i>	44.62	44.62
ISR Capital Limited, Singapore ⁽²⁾ <i>Investment holdings</i>	– ⁽ⁱ⁾	27.31

⁽¹⁾ Audited by Moore Stephens LLP, Singapore except for the financial year 2014 which was audited by RSM Chio Lim, Singapore

⁽²⁾ Audited by RT LLP, Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

19 Investments in Associated Companies (cont'd)

- (i) During the current financial year, certain bonds of ISR Capital Limited were converted into issued share capital of the investee company and this resulted in the dilution of the Group's effective interest held from 27.31% to 15.52%. The investment was reclassified to financial assets, available-for-sale (Note 15) resulting in a dilution gain of S\$457,249 (Note 5).
- (ii) Set out below are the summarised financial information of Chaswood Resources Holdings Ltd. ("Chaswood"), which is not adjusted for the percentage of ownership held by the Group:

Summarised balance sheet

	2015	2014
	S\$	S\$
Current assets	10,988,866	10,055,959
Non-current assets	27,954,411	25,549,758
Current liabilities	(22,675,077)	(14,889,595)
Non-current liabilities	(9,416,628)	(8,489,867)

Summarised income statement

	2015	2014
	S\$	S\$
Revenue	58,659,198	59,959,342
Loss for the year	(4,844,289)	(4,063,892)
Other comprehensive income for the year	1,924,893	478,219
Total comprehensive loss for the year	(2,919,397)	(3,585,673)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

19 Investments in Associated Companies (cont'd)

(ii) (cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Chaswood recognised in the consolidated financial statements:

	2015	2014
	S\$	S\$
Net assets of the associate	6,851,572	12,226,255
Proportion of the Group's ownership in Chaswood	44.62%	44.62%
Interest in Chaswood	3,057,171	5,455,355
Goodwill	1,496,643	5,678,954
Carrying amount of the Group's interest in Chaswood	4,553,814	11,134,309

Aggregate information of associates that are not individually material

	2015	2014
	S\$	S\$
Group's share of loss after tax	–	*287,889
Group's share of other comprehensive loss	–	–
Group's share of total comprehensive loss	–	287,889
Aggregate carrying amount of the Group's interest in these associates	4	8

* The Group has not recognised its share of losses of the associate amounting to Nil (2014: S\$287,889) because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect to those losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

20 Property, Plant and Equipment

	Motor vehicles	Leasehold improvements	Office furniture and equipment	Total
	S\$	S\$	S\$	S\$
Group				
2015				
<u>Cost</u>				
At 1 January	221,239	613,328	577,594	1,412,161
Additions	–	–	14,338	14,338
Disposal	–	–	(1,909)	(1,909)
Currency alignment	(9,433)	–	(18,540)	(27,973)
At 31 December	211,806	613,328	571,483	1,396,617
<u>Accumulated depreciation</u>				
At 1 January	73,305	137,312	254,928	465,545
Depreciation for the year	37,648	109,850	102,005	249,503
Disposal	–	–	(1,697)	(1,697)
Currency alignment	(4,146)	–	(14,099)	(18,245)
At 31 December	106,807	247,162	341,137	695,106
<u>Net book value</u>				
At 31 December	104,999	366,166	230,346	701,511

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

20 Property, Plant and Equipment (cont'd)

	Motor vehicles S\$	Leasehold improvements S\$	Office furniture and equipment S\$	Total S\$
Group				
2014				
<u>Cost</u>				
At 1 January	222,691	613,328	470,899	1,306,918
Additions	–	–	137,109	137,109
Disposal	–	–	(3,430)	(3,430)
Disposal of subsidiary (Note 18(b)(iv))	–	–	(24,304)	(24,304)
Currency alignment	(1,452)	–	(2,680)	(4,132)
At 31 December	221,239	613,328	577,594	1,412,161
<u>Accumulated depreciation</u>				
At 1 January	34,869	27,462	155,648	217,979
Depreciation for the year	39,001	109,850	112,327	261,178
Disposal	–	–	(1,350)	(1,350)
Disposal of subsidiary (Note 18(b)(iv))	–	–	(9,620)	(9,620)
Currency alignment	(565)	–	(2,077)	(2,642)
At 31 December	73,305	137,312	254,928	465,545
<u>Net book value</u>				
At 31 December	147,934	476,016	322,666	946,616

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

20 Property, Plant and Equipment (cont'd)

	Motor vehicles	Leasehold improvements	Office furniture and equipment	Total
	S\$	S\$	S\$	S\$
Company				
2015				
<u>Cost</u>				
At 1 January	148,000	613,328	393,425	1,154,753
Disposal	–	–	(1,909)	(1,909)
At 31 December	148,000	613,328	391,516	1,152,844
<u>Accumulated depreciation</u>				
At 1 January	48,000	137,312	151,039	336,351
Depreciation for the year	24,000	109,850	64,571	198,421
Disposal	–	–	(1,697)	(1,697)
At 31 December	72,000	247,162	213,913	533,075
<u>Net book value</u>				
At 31 December	76,000	366,166	177,603	619,769

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

20 Property, Plant and Equipment (cont'd)

	Motor vehicles	Leasehold improvements	Office furniture and equipment	Total
	S\$	S\$	S\$	S\$
Company				
2014				
<u>Cost</u>				
At 1 January	148,000	613,328	306,297	1,067,625
Additions	–	–	89,238	89,238
Disposal	–	–	(2,110)	(2,110)
At 31 December	148,000	613,328	393,425	1,154,753
<u>Accumulated depreciation</u>				
At 1 January	24,000	27,462	82,347	133,809
Depreciation for the year	24,000	109,850	69,895	203,745
Disposal	–	–	(1,203)	(1,203)
At 31 December	48,000	137,312	151,039	336,351
<u>Net book value</u>				
At 31 December	100,000	476,016	242,386	818,402

The carrying amount of property, plant and equipment acquired under finance lease arrangements for the Group as at 31 December 2015 amounted to S\$104,999 (2014: S\$147,934).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

21 Investment Properties

	2015	2014
	S\$	S\$
Group		
<u>Cost</u>		
At 1 January and 31 December	2,360,000	2,360,000
<u>Accumulated depreciation</u>		
At 1 January	120,649	76,945
Depreciation for the year	43,703	43,704
At 31 December	164,352	120,649
<u>Net book value</u>		
At 31 December	2,195,648	2,239,351

The Group has two investment properties as at 31 December 2015 and 31 December 2014.

One property is located at 65 Tiong Poh Road #01-32 Singapore 160065 ("Property 1"). Property 1 is a 99 years leasehold property starting from year 1967. A term loan was obtained by a subsidiary to partially finance the purchase. The loan is secured by property 1 and a corporate guarantee given by the Company (Note 28(b)(i)). The cost of investment is S\$1,230,000 and the estimated fair value as at 31 December 2015 is S\$1,330,000 (2014: S\$1,330,000).

Another property is located at 65 Tiong Poh Road #02-32 Singapore 160065 ("Property 2"). Property 2 is a 99 years leasehold property starting from year 1967. Property 2 is held in trust by a third party. A trust agreement is signed between the third party and a subsidiary company where the subsidiary company retains the full rights to Property 2. The subsidiary company makes monthly bank borrowing payments through the third party for the said property (Note 28(e)). The cost of investment is S\$1,130,000 and the estimated fair value of the investment property as at 31 December 2015 is S\$1,130,000 (2014: S\$1,130,000).

The two investment properties' fair value are based on the highest and best use as at the balance sheet date based on directors' valuation supported by independent professional valuations by an independent valuer who has the appropriate qualification and recent experience in the valuation of properties in the relevant locations.

The fair value of the two properties was derived based on the direct comparison method. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The significant input in this valuation approach is the location, tenure, age, size, design, floor level, layout, condition and standard of finishes amongst other factors.

The fair value of these properties were classified under Level 2 of the Fair Value Hierarchy (Note 35(b)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

21 Investment Properties (cont'd)

The following are recognised in the profit or loss:

	Property 1	Property 2
	S\$	S\$
<u>2015</u>		
Rental income	36,000	28,000
Direct expenses incurred during periods in which investment property earned income	24,508	31,186
Direct expenses incurred during periods in which investment property did not earn income	12,588	17,530
<u>2014</u>		
Rental income	27,000	42,000
Direct expenses incurred for investment property earning income	18,403	47,820
Direct expenses incurred for investment property not earning income	18,321	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

22 Intangible Assets

Group

2015

Cost

At 1 January

Additions

At 31 December

	Content license fees	Production costs	Total
	S\$	S\$	S\$
At 1 January	2,849,494	458,654	3,308,148
Additions	1,136,915	134,982	1,271,897
At 31 December	3,986,409	593,636	4,580,045

Accumulated amortisation:

At 1 January

Amortisation for the year

At 31 December

At 1 January	824,529	–	824,529
Amortisation for the year	1,275,206	–	1,275,206
At 31 December	2,099,735	–	2,099,735

Accumulated impairment:

At 1 January

Impairment loss during the year

At 31 December

At 1 January	–	–	–
Impairment loss during the year	–	65,125	65,125
At 31 December	–	65,125	65,125

Net book value

At 31 December

At 31 December	1,886,674	528,511	2,415,185
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

22 Intangible Assets (cont'd)

	Content license fees S\$	Production costs S\$	Total S\$
Group			
2014			
<u>Cost</u>			
At 1 January	1,386,763	–	1,386,763
Additions	1,462,731	458,654	1,921,385
At 31 December	2,849,494	458,654	3,308,148
<u>Accumulated amortisation:</u>			
At 1 January	11,937	–	11,937
Amortisation for the year	812,592	–	812,592
At 31 December	824,529	–	824,529
<u>Net book value</u>			
At 31 December	2,024,965	458,654	2,483,619

23 Loan Receivable

	Group	
	2015	2014
	S\$	S\$
Loan receivable	12,552,350	12,552,350
Less: Allowance for impairment losses	(12,552,350)	(12,552,350)
	–	–

The loan receivable from an investee company is unsecured and carries a fixed interest of 12% per annum (2014: 12% per annum) and is not expected to be repaid within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

23 Loan Receivable (cont'd)

Movement in the allowance for impairment account during the financial year are as follows:

	Group	
	2015	2014
	S\$	S\$
At 1 January	12,552,350	–
Charge to profit or loss	–	12,037,450
Currency alignment	–	514,900
At 31 December	<u>12,552,350</u>	<u>12,552,350</u>

24 Amounts due from Subsidiaries

	Company	
	2015	2014
	S\$	S\$
Amounts due from subsidiaries	103,161,110	102,628,594
Less: Allowance for impairment losses	<u>(92,086,453)</u>	<u>(86,717,728)</u>
	<u>11,074,657</u>	<u>15,910,866</u>
Presented as:		
Current	1,755,580	3,512,722
Non-current	<u>9,319,077</u>	<u>12,398,144</u>
	<u>11,074,657</u>	<u>15,910,866</u>

The amounts due from subsidiaries were unsecured, non-trade in nature and are interest free.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

24 Amounts due from Subsidiaries (cont'd)

Movement in the allowance for impairment account during the financial year are as follows:

	Company	
	2015	2014
	S\$	S\$
At 1 January	86,717,728	–
Charge to profit or loss	5,438,907	86,717,728
Write back recognised in profit or loss	(70,182)	–
At 31 December	92,086,453	86,717,728

25 Goodwill

	Group	
	2015	2014
	S\$	S\$
At the beginning of the year	5,825,638	5,825,638
Less: Allowance for impairment loss	(53,435)	–
At the end of the year	5,772,203	5,825,638

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. Each CGU represents the Group's investment by each primary reporting segment as follows:

	Media sales	Investment management	Consolidated
	S\$	S\$	S\$
TAP Partners Sdn. Bhd.	–	53,435	53,435
Hub Media Group Pte. Ltd.	5,772,203	–	5,772,203
	5,772,203	53,435	5,825,638

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

25 Goodwill (cont'd)

Movement in the allowance for impairment account during the financial year is as follows:

	2015	2014
	S\$	S\$
<i>Investment Management</i>		
At 1 January	–	–
Charge to profit or loss	53,435	–
At 31 December	53,435	–

Goodwill is assessed for impairment during the fourth quarter of each financial year. During the current financial year, the Group made a full impairment loss of S\$53,435 (2014: Nil) to write down the Group's goodwill in Investment Management. The impairment loss arose as the CGU continued to incur operating and projected losses. An impairment loss is the amount by which the carrying amount of a CGU exceeds its recoverable amount. The recoverable amount of the CGU was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on the financial budgets approved by management covering a one-year period. Cash flows from one to five year period were extrapolated using the estimated growth rates stated below.

	Investment Management		Media Sales	
	2015	2014	2015	2014
	%	%	%	%
Growth rate ¹	–	–	6	10
Discount rate ²	8.87	8.34	6.32	12

¹ Weighted average growth rate used to extrapolate cash flows beyond the one-year period to the fifth year. 0% growth rate beyond the five-year period were used for both segments.

² Pre-tax discount rate applied to the pre-tax cash flow projections.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

26 Trade and Other Payables

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
	(Restated)			
<i>Current:</i>				
<u>Trade payables</u>				
Third parties	659,344	368,997	–	–
<u>Other payables</u>				
Third parties	444,990	247,051	150,735	77,152
Former subsidiaries	2,878,408	103,288	409,407	34,184
Related parties	446,920	–	432,000	–
Investee company	1,277,507	8,912,380	1,100,000	–
Deposits received	792,778	16,000	–	–
Deferred revenue	841,076	2,932,891	–	–
Accruals	1,435,637	1,738,024	337,209	434,024
Others	66,199	1,000,502	204,890	13,637
	8,842,859	15,319,133	2,634,241	558,997
<i>Non-current:</i>				
<u>Other payables</u>				
Former subsidiary	–	22,978,582	–	–
Investee company	–	1,100,000	–	1,100,000
	–	24,078,582	–	1,100,000

Other payables-others, mainly comprise an amount of S\$18,018 (2014: S\$932,628) due to Dragonrider Opportunity Fund I L.P. ("DROF I"), which is a fund managed by a subsidiary of the Group. This amount is unsecured, interest free and repayable on demand.

The amounts due to related parties (as defined in Note 12) were unsecured, non-trade in nature, interest free and repayable on demand.

As at 31 December 2015, the amounts due to former subsidiaries were unsecured, non-trade in nature, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

26 Trade and Other Payables (cont'd)

As at 31 December 2014, the amounts due to former subsidiaries included S\$18,273,282 which incurred interest at rates ranging from 5% to 20% per annum and was repayable on 31 December 2016. During the current financial year, S\$21,390,861 of the amounts due to former subsidiaries was disposed (Note 18 (b) (i)).

The amounts due to investee companies included S\$1,100,000 (2014: S\$1,100,000) which are unsecured, non-trade in nature and bears interest of 10% per annum and are repayable in May 2016.

The Company provides services and recovered costs from certain investee companies as follows:

	Group	
	2015	2014
	S\$	S\$
- Management income	4,000	-
- Branding and communication consultancy income	-	112,088
- Reimbursement of rent expense	131,094	135,717

27 Financial Liability, at Fair Value through Profit or Loss

	Group	
	2015	2014
	S\$	S\$
Financial liability, at fair value through profit or loss		
- Debt instrument, at fair value	3,751,555	-
Derivative liability, at fair value	601,770	-
	4,353,325	-

The financial liability arises from the assignment of the Group's Economic Rights on the 36.76% effective interest in Investment in Chaswood Resources Holdings Ltd. ("Chaswood Shares") to a former subsidiary during the current financial year. The assignment entitles the former subsidiary to the right to participate in the proceeds arising from the future sale, disposal and realisation of the Chaswood Shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

27 Financial Liability, at Fair Value through Profit or Loss (cont'd)

The deed of assignment provides that, when the sale price of each Chaswood share is below S\$0.05, the Group shall pay to the former subsidiary an additional 50% of the difference between the market price and S\$0.05. If the sale price of each Chaswood Share is above S\$0.40, the Group is entitled to 50% of the excess between market price and S\$0.40 ("Put Option").

Fair value of the quoted debt instruments and derivative liability being designated as financial liability, at fair value through profit or loss is determined by management based on the published market bid price and Black-Scholes Option Pricing Model.

28 Borrowings

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
<u>Current</u>				
Revolving credit facility ^(a)	–	500,000	–	–
Bank term loans ^(b)	6,661,167	6,604,695	–	–
Short term loan ^(c)	350,000	1,300,000	–	–
Hire purchase creditor ^(d)	29,713	29,562	22,698	21,741
Others ^(e)	24,036	24,664	–	–
	<u>7,064,916</u>	<u>8,458,921</u>	<u>22,698</u>	<u>21,741</u>
<u>Non-current</u>				
Bank term loans ^(b)	352,916	387,917	–	–
Hire purchase creditor ^(d)	77,814	112,651	54,790	77,488
Others ^(e)	450,969	475,012	–	–
	<u>881,699</u>	<u>975,580</u>	<u>54,790</u>	<u>77,488</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

28 Borrowings (cont'd)

Hire Purchase Creditor

	Minimum payments		Present value of minimum payments	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
Group				
Not later than one year	33,795	35,193	29,713	29,562
Later than one year and not later than five years	82,134	121,518	77,814	112,651
	115,929	156,711	107,527	142,213
Less future finance charges	(8,402)	(14,498)	–	–
Present value of minimum lease payments	107,527	142,213	107,527	142,213
Company				
Not later than one year	25,596	25,596	22,698	21,741
Later than one year and not later than five years	57,566	83,162	54,790	77,488
	83,162	108,758	77,488	99,229
Less future finance charges	(5,674)	(9,529)	–	–
Present value of minimum lease payments	77,488	99,229	77,488	99,229

- (a) The Revolving Credit Facility ("RCF") was secured by a pledge of certain quoted securities (Note 14) and a corporate guarantee by the Company. Interest was charged at 2.63% per annum. The RCF was fully repaid during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

28 Borrowings (cont'd)

- (b) These comprise two bank term loans which incur effective interest rates ranging from 0.684% to 2.67% (2014: 0.379% to 2.63%) per annum.
- (i) The bank term loans are secured by the mortgage of the property at 65 Tiong Poh Road #01-32, Singapore (Note 21) and quoted securities (Notes 15 and 19). One of the term loans of S\$387,916 (2014: S\$422,917) is also secured by a corporate guarantee of the Company and is repayable by monthly instalments over a period of 15 years.
- (ii) As at 31 December 2015, other bank term loan amounting to S\$6,626,167 (2014: S\$6,569,695) is repayable within 1 year.

During the current financial year, a subsidiary entered into an unwinding agreement with the bank in relation to its S\$6,626,167 term loan. The agreement provides that upon final instalment payments of S\$1,147,500 the bank shall:

- waive the payment of the outstanding amount of US\$3,991,961 (approximately S\$5,478,667); and
- release to the subsidiary the charged quoted equity shares which were mortgaged in connection with the term loan.

As at 31 December 2015, the management is in negotiation with the bank for the repayment terms.

- (c) Prior year's short term facility loan incurred a fixed interest rate of 24% per annum. During the current financial year, the loan was fully repaid.

During the year, the Group entered into two short term loan agreements with (i) a fund company and (ii) a third party amounting to S\$300,000 and S\$50,000, respectively.

- (i) The short term loan of S\$300,000 bears an interest of 10% with a tenor of 60 days. The loan was secured by the following:
- assignment of the proceeds from sales of certain media content of US\$923,520 (approximately S\$1,305,765); and
 - personal guarantee executed by one of the key management personnel.
- (ii) The short term loan of S\$50,000 bears an interest of 3% per month for a minimum period of 60 days and 5% per month for each succeeding month after the initial 60-day period.
- (d) The hire purchase facilities are granted for the purchase of motor vehicles and bears an effective interest rate of 2.41% to 4.31% (2014: 2.41% to 4.31%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

28 Borrowings (cont'd)

- (e) Attilan Ventures Pte. Ltd. ("AVPL") purchased a property from a third party as disclosed in Note 21. The property is partly financed by a bank loan taken up by the third party and is secured by the said property. AVPL has a trust agreement with the third party and under the agreement, AVPL will continue to make monthly bank borrowing payments through the third party for a period of 19 years or until the property is disposed of. All benefits with regards to the property such as rental income and any residual disposal benefits belong to AVPL under the trust agreement. This borrowing bears an effective interest rate of 2.42% (2014: 1.40%) per annum.

29 Share Capital

	Group and Company			
	2015	2014	2015	2014
	No. of shares	No. of shares	S\$	S\$
<u>Ordinary shares</u>				
Issued and fully paid:				
At the beginning of the year	1,097,505,101	979,764,476	119,912,067	113,671,814
Issue of new shares pursuant to the acquisition of equity interest in subsidiaries	–	117,740,625	–	6,240,253
At the end of the year	1,097,505,101	1,097,505,101	119,912,067	119,912,067

Ordinary shares have no par value.

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 shareholders' meetings. All shares rank equally with regards to the Company's residual assets.

On 9 July 2014, the Company through its wholly-owned subsidiary, Attilan Investment Ltd., acquired 45,000 ordinary shares representing 30% of the issued share capital of HMGPL, for a consideration of S\$6,240,253. The Company issued 117,740,625 new ordinary shares as purchase consideration.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

30 Reserves

	Group	
	2015	2014
	S\$	S\$
Foreign currency translation reserve	(a) 865,650	383,940
Other reserves	(b) (10,429,690)	(10,626,467)
Fair value reserves	(c) 2,181,604	(266,620)
	(7,382,436)	(10,509,147)

(a) Foreign Currency Translation Reserve

	Group	
	2015	2014
	S\$	S\$
Balance at the beginning of the year	383,940	75,962
Exchange difference on translation of foreign operations	(751,695)	(86,538)
Reclassification of foreign currency translation differences on disposal of subsidiaries	667,675	9,073
Reclassification of foreign currency translation differences on investment in associate transferred to financial assets, available-for-sale	(2,454)	-
Share in exchange differences on translation of foreign operations of associated companies	568,184	385,443
Balance at the end of the year	865,650	383,940

The foreign currency translation reserve is used to record foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

30 Reserves (cont'd)

(b) Other Reserves

	Group	
	2015	2014
	S\$	S\$
Balance at the beginning of the year	(10,626,467)	(5,178,639)
Acquisition of additional interest in subsidiary (Note 18(c))	126,778	(5,447,828)
Acquisition of interest in subsidiary (Note 18(a)(iii))	69,999	–
Balance at the end of the year	(10,429,690)	(10,626,467)

The other reserves comprise the excess of consideration over the share of book value of net assets in respect of the additional acquired interest in subsidiaries.

(c) Fair Value Reserves

	Group	
	2015	2014
	S\$	S\$
Balance at the beginning of the year	(266,620)	7,076,782
Net fair value gain/(loss) on financial assets, available-for-sale	2,260,147	(7,343,402)
Reclassification of fair value reserve on investment in associate transferred to financial asset, available-for-sale	188,077	–
Balance at the end of the year	2,181,604	(266,620)

The fair value reserve pertains to the net change in the fair value of financial assets, available-for-sale held until the investments are derecognised.

The movements in the reserves are recognised in the consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

31 Commitments

(a) Operating Lease Commitment as a Lessee

At the balance sheet date, future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
Within one year	875,616	632,617	391,890	504,300
Within two to five years	2,088,877	171,760	894,292	168,100
	<u>2,964,493</u>	<u>804,377</u>	<u>1,286,182</u>	<u>672,400</u>
Rental expense for the year	<u>447,382</u>	<u>483,635</u>	<u>245,346</u>	<u>258,534</u>

The Group leases its offices space and copiers from non-related parties under non-cancellable operating arrangements. These leases have varying terms and renewal rights.

(b) Operating Lease Commitment as a Lessor

The Group has entered into an operating lease on its investment properties. This non-cancellable lease has remaining lease term of less than 24 months and no escalation clause and renewal rights.

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
Within one year	–	42,000	–	–
Within two to five years	–	7,000	–	–
	<u>–</u>	<u>49,000</u>	<u>–</u>	<u>–</u>
Rental income for the year	<u>64,000</u>	<u>69,000</u>	<u>–</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

31 Commitments (cont'd)

(c) Capital Commitment

The Group has contractual commitments for the completion of its intangible assets – production costs amounting to S\$1,834,342 (2014: S\$1,832,604).

32 Loss Per Share

The loss per share is calculated by dividing the Group's loss attributable to owners of the Company by the weighted number of shares in issue during the year.

The calculation of the loss per share is based on the following:

	Group	
	2015	2014
	S\$	S\$
		(Restated)
<u>Loss from operations</u>		
Loss after tax	(5,311,982)	(60,684,012)
Non-controlling interest	(5,528)	613,171
Loss attributable to owners of the Company	<u>(5,306,454)</u>	<u>(61,297,183)</u>
<u>Loss per share attributable to owners of the Company</u>		
Basic and diluted loss per share (cents)	<u>(0.48)</u>	<u>(5.91)</u>
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purposes of computing basic and diluted earnings per share	<u>1,097,505,101</u>	<u>1,036,538,038</u>

There is no potential dilutive share as at 31 December 2015 and 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

33 Segment Information

The Group is involved in investment management, pre-school and media sales activities (2014: investment management, financial advisory and media sales). Management has considered the business from a business segment perspective and not from geographic segment perspective as the management deemed it as impractical. For management purposes, the Group is organised into four main business segments:

- Investment management

The investment management segment consists of fund management, private equity and investing activities.

- Financial Advisory

The financial advisory segment consists of the provision of corporate finance advisory services and dealing in securities.

- Media Sales

The media sales segment consists of distribution and production of media related services and products.

- Pre-school

The Pre-school segment consists of infant care and child care services.

Management monitors the results of the four segments for the purpose of making decisions in resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, may be measured differently from operating profit or loss in the consolidated financial statements.

Unallocated income/costs represent corporate income/expenses while unallocated assets/liabilities comprise mainly corporate assets/liabilities. Segment assets consist primarily cash and cash equivalents, financial assets at fair value through profit or loss, financial assets, available-for-sale, trade receivables, other current assets, intangible assets and goodwill. Segment liabilities comprise mainly of trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

33 Segment Information (cont'd)

Segment information about these businesses is presented below:

	Investment Management	Media Sales	Pre-school	Total
	S\$	S\$	S\$	S\$
Group				
<u>2015</u>				
Revenue				
Segment revenue - external	1,702,440	2,376,230	–	4,078,670
Segment results	(148,006)	1,070,849	(16,425)	906,418
Segment assets	6,650,174	8,435,883	132,505	15,218,562
Segment liabilities	7,643,229	2,869,423	50,930	10,563,582
	Investment Management	Financial Advisory	Media Sales	Total
	S\$	S\$	S\$	S\$
Group				
<u>2014 (Restated)</u>				
Revenue				
Segment revenue - external	2,439,712	1,187,584	2,412,495	6,039,791
Segment results	(44,066,161)	(155,730)	906,837	(43,315,054)
Segment assets	27,667,141	–	9,399,127	37,066,268
Segment liabilities	34,204,293	–	3,736,929	37,941,222

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

33 Segment Information (cont'd)

Geographical Information

Revenue are based on the country in which the customers and investments are located. Non-current assets are shown by the geographical area where the assets are located.

	Revenue		Non-current assets*	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
		(Restated)		
Group				
Singapore	1,304,441	2,473,861	15,582,318	22,479,894
Malaysia	2,701,527	2,381,727	56,043	146,877
Cayman Islands	26,143	276,550	4	8
British Virgin Islands	–	309,777	–	2,762
Others	46,559	597,876	–	–
	<u>4,078,670</u>	<u>6,039,791</u>	<u>15,638,365</u>	<u>22,629,541</u>

* Non-current assets exclude financial assets, available-for-sale, loan receivable from an investee company and other non-current assets.

Included in the revenue arising from media sales of S\$2,376,230 [2014 restated: S\$2,412,495] are revenue of approximately S\$2,081,655 [2014 restated: S\$1,768,492] which arose from sales to the Group's largest customer.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

33 Segment Information (cont'd)

A reconciliation of the segment results to loss before tax is provided as follows:

	Group	
	2015	2014
	S\$	S\$
		(Restated)
Segment results	906,418	(43,315,054)
Depreciation and amortisation	(1,568,412)	(1,117,474)
Unallocated corporate expenses	(1,828,174)	(2,583,090)
Gain on disposal of subsidiaries	4,182,023	925,336
Share of loss of associated companies	(6,301,794)	(12,143,145)
Finance costs	(866,404)	(5,179,978)
Finance income	3,893	1,756,553
Loss before tax	(5,472,450)	(61,656,852)

A reconciliation of total assets for reportable segments to total assets is as follows:

	Group	
	2015	2014
	S\$	S\$
		(Restated)
Segment assets for reportable segments	15,218,562	37,066,268
Investment in associated companies	4,553,818	11,134,317
Property, plant and equipment	701,511	946,616
Investment properties	2,195,648	2,239,351
Unallocated assets	852,343	2,307,661
Total assets	23,521,882	53,694,213

Management monitors the Media Sales segment based on a measure of segment results that excludes the amortisation of the intangible assets. However, segment assets of the Media Sales includes the related intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

33 Segment Information (cont'd)

A reconciliation of total liabilities for reportable segments to total liabilities is as follows:

	Group	
	2015	2014
	S\$	S\$
		(Restated)
Segment liabilities for reportable segments	10,563,582	37,941,222
Borrowings	7,946,615	9,434,501
Unallocated liabilities	2,634,241	1,658,997
Total liabilities	<u>21,144,438</u>	<u>49,034,720</u>

34 Corporate Guarantees

As at 31 December 2015, the Company has total corporate guarantees amounting to S\$7,457,416 (2014: S\$7,167,917) issued to banks for the subsidiaries' bank borrowings and to a Fund for the former subsidiary's secured redeemable notes. The fair value of these corporate guarantees is estimated to be insignificant as the borrowings are collateralised by the related mortgaged property and quoted and unquoted securities and the subsidiaries and investee companies have the ability to generate sufficient cash flows from their operations to finance their continuing operations and repay the bank borrowings and redeemable notes.

35 Financial Instruments

(a) Financial Risk Management Policies and Objectives

The main risks arising from the entity's financial instruments are capital risk, credit risk, liquidity risk and market price risk comprising interest rate risk, foreign currency risk and price risk exposures. The management reviews and monitors policies for managing each of these risks and they are summarised below.

(i) Capital risk

The capital structure of the Group and Company consists of equity attributable to owners of the Company, comprising share capital, reserves and accumulated losses and net debt.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(i) Capital risk (cont'd)

The Group's and Company's objectives when managing capital are: (a) to safeguard the Group's and Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and (b) to provide an adequate return to shareholders by pricing products and services that are commensurate with the level of risk. The Group's and Company's overall strategy remains unchanged since 2014.

The Group and Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2015 and 31 December 2014, except for one (2014: one) of its subsidiary company.

One subsidiary was required to maintain a base capital of not lower than S\$250,000 based on Base Capital Requirements required by Singapore's Securities and Futures Act Regulations for a Registered Fund Management Company. The subsidiary was in compliance with all externally imposed capital requirements for the financial years ended 31 December 2015 and 31 December 2014.

The Group and Company set the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group and Company monitor capital on the basis of the net debt-to-equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (as shown in the balance sheet) less cash and bank balances, income tax payable and deferred tax liabilities. Total equity comprises all components of equity, i.e. share capital, accumulated losses and reserves.

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
	(Restated)			
Net debt	20,413,791	45,706,486	2,550,437	(103,126)
Total equity	2,377,444	4,659,493	9,976,538	19,234,734
Net debt-to-equity ratio	8.59	9.81	0.26	N.M

N.M: not meaningful as cash and bank balances exceeds net debt.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Credit risk

The Group and Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, resulting in financial loss to the Group and Company. Impairment provisions are made for losses that have been incurred at the balance sheet date. Significant changes in the economy, or in the health of a particular counterparty that represents a concentration in the Group and Company's portfolio, could result in losses that are different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk. The Group and Company structure the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent reviews.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate guarantees.

The maximum exposure to credit risk in the event that the counter parties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position, except for those corporate guarantees given to subsidiaries and investee companies (Note 34).

Allowances for impairment are made on certain debtors that are in significant financial difficulties and have defaulted on payments.

Financial assets that are neither past due nor impaired

Trade and other receivables and loan receivable that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents, financial assets, at fair value through profit or loss and financial assets, available-for-sale are placed with or entered into with reputable financial institutions or companies with good credit ratings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Credit risk (cont'd)

Financial assets that are neither past due nor impaired (cont'd)

Credit risk exposure analysed by country in respect of the Group and Company's financial assets are set out below:

	Trade receivables	Other current assets	Other non- current assets	Total
	S\$	S\$	S\$	S\$
Group				
Country concentration				
<u>2015</u>				
Singapore	4,085	595,048	261,926	861,059
Malaysia	20,360	173,614	–	193,974
Others	86	–	–	86
	<u>24,531</u>	<u>768,662</u>	<u>261,926</u>	<u>1,055,119</u>
<u>2014 (Restated)</u>				
Singapore	15,856	338,860	–	354,716
Malaysia	–	241,064	–	241,064
Others	11,684	234,223	–	245,907
	<u>27,540</u>	<u>814,147</u>	<u>–</u>	<u>841,687</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Credit risk (cont'd)

Financial assets that are neither past due nor impaired (cont'd)

	Other current assets	Other non-current asset	Total
	S\$	S\$	S\$
Company			
<u>2015</u>			
Singapore	2,237,567	9,455,912	11,693,479
Malaysia	55,802	–	55,802
	<u>2,293,369</u>	<u>9,455,912</u>	<u>11,749,281</u>
<u>2014</u>			
Singapore	1,518,024	12,398,144	13,916,168
Malaysia	224,166	–	224,166
Others	2,181,905	–	2,181,905
	<u>3,924,095</u>	<u>12,398,144</u>	<u>16,322,239</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Credit risk (cont'd)

Financial assets that are past due and/or impaired

There are no other class of financial assets that is past due and/or impaired except for trade receivables, other current assets, other non-current asset and financial assets, available-for-sale debt securities.

The table below is an analysis of financial assets as at the balance sheet date:

	2015	2014
	S\$	S\$
Group		
Not past due and not impaired	768,662	1,084,343
Past due but not impaired [#]	24,531	27,540
	793,193	1,111,883
Impaired financial assets - individually assessed	24,434,053	32,957,086
Less: Allowance for impairment losses	(24,434,053)	(32,957,086)
	-	-
Company		
Not past due and not impaired	11,749,281	16,322,239
Past due but not impaired [#]	-	-
	11,749,281	16,322,239
Impaired - individually assessed	92,393,786	86,951,879
Less: Allowance for impairment losses (Notes 17 and 24)	(92,393,786)	(86,951,879)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Credit risk (cont'd)

Financial assets that are past due and/or impaired (cont'd)

The age analysis of financial assets past due but not impaired is as follows:

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
Past due within 30 days	2,213	5,153	–	–
Past due within 31 to 90 days	2,885	6,531	–	–
Past due over 90 days	19,433	15,856	–	–
	24,531	27,540	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Liquidity risk

The table below analyses the maturity profile of the Group and the Company's financial liabilities based on contractual undiscounted cash flows:

	Contractual undiscounted cash flows				
	Less than 1 year	Between 2 and 5 years	After 5 years	Total	Carrying amount
	S\$	S\$	S\$	S\$	S\$
Group					
2015					
<u>Financial liabilities</u>					
Trade and other payables	8,001,783	–	–	8,001,783	8,001,783
Financial liabilities, at fair value through profit or loss	–	4,353,325	–	4,353,325	4,353,325
Borrowings	7,225,617	409,942	651,287	8,286,846	7,946,615
Financial guarantee contracts	7,069,500	–	–	7,069,500	–
Total undiscounted financial liabilities	22,296,900	4,763,267	651,287	27,711,454	20,301,723
2014					
<u>Financial liabilities</u>					
Trade and other payables	12,871,020	24,078,582	–	36,949,602	36,464,824
Borrowings	9,764,593	423,598	785,777	10,973,968	9,434,501
Financial guarantee contracts	6,245,000	–	–	6,245,000	–
Total undiscounted financial liabilities	28,880,613	24,502,180	785,777	54,168,570	45,899,325

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Liquidity risk (cont'd)

	Contractual undiscounted cash flows				
	Less than 1 year	Between 2 and 5 years	After 5 years	Total	Carrying amount
	S\$	S\$	S\$	S\$	S\$
Company					
2015					
<u>Financial liabilities</u>					
Trade and other payables	2,634,241	–	–	2,634,241	2,634,241
Borrowings	25,596	57,566	–	83,162	77,488
Financial guarantee contracts	7,457,416	–	–	7,457,416	–
	10,117,253	57,566	–	10,174,819	2,711,729
2014					
<u>Financial liabilities</u>					
Trade and other payables	558,997	1,100,000	–	1,658,997	1,658,997
Borrowings	25,596	83,162	–	108,758	99,229
Financial guarantee contracts	7,167,917	–	–	7,167,917	–
	7,752,510	1,183,162	–	8,935,672	1,758,226

The Group and Company manage the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iv) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and Company have cash balances placed with reputable banks and financial institutions and investments held by the Funds. Such balances are placed on varying maturities and generate interest income for the Group and Company. The Group and Company manage its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group obtains additional financing through bank borrowings. The Group's borrowings are mainly on floating rates while a hire purchase facility has a fixed interest rate.

The table below sets out the Group's and the Company's exposure to interest rate risks and information on weighted average effective yield. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iv) Interest rate risk (cont'd)

	← Fixed rate →			← Floating rate →			Non- interest- bearing	Total	Effective interest rate
	Within 1 year	2 to 5 years	After 5 years	Within 1 year	2 to 5 years	After 5 years			
	S\$	S\$	S\$	S\$	S\$	S\$			%
Group									
<u>2015</u>									
Cash and bank balances	-	-	-	-	-	-	729,008	729,008	-
Financial assets, available-for- sale	-	-	-	-	-	-	5,382,060	5,382,060	-
Trade receivables	-	-	-	-	-	-	24,531	24,531	-
Other current assets	-	-	-	-	-	-	768,662	768,662	-
Loan receivable	-	-	-	-	-	-	-	-	12
Other non- current assets	-	-	-	-	-	-	261,926	261,926	-
Trade and other payables	(1,100,000)	-	-	-	-	-	(6,901,783)	(8,001,783)	10
Financial liabilities, at fair value through profit or loss	-	-	-	-	-	-	(4,353,325)	(4,353,325)	-
Borrowings	(379,713)	(77,814)	-	(6,685,203)	(242,816)	(561,069)	-	(7,946,615)	0.684-10
	<u>(1,479,713)</u>	<u>(77,814)</u>	<u>-</u>	<u>(6,685,203)</u>	<u>(242,816)</u>	<u>(561,069)</u>	<u>(4,088,921)</u>	<u>(13,135,536)</u>	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iv) Interest rate risk (cont'd)

	← Fixed rate →			← Floating rate →			Non- interest- bearing	Total	Effective interest rate
	Within 1 year	2 to 5 years	After 5 years	Within 1 year	2 to 5 years	After 5 years			
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	%
Group (cont'd)									
<u>2014 (Restated)</u>									
Cash and bank balances	-	-	-	-	-	-	3,125,730	3,125,730	-
Financial assets, at fair value through profit or loss	-	-	-	-	-	-	1,550,000	1,550,000	-
Financial assets, available-for- sale	-	-	-	-	-	-	24,385,316	24,385,316	-
Trade receivables	-	-	-	-	-	-	27,540	27,540	-
Other current assets	-	-	-	-	-	-	814,147	814,147	-
Loan receivable	-	-	-	-	-	-	-	-	12
Trade and other payables	-	(18,273,282)	-	-	-	-	(18,191,542)	(36,464,824)	5-20
Borrowings	(1,329,562)	(112,651)	-	(7,129,359)	(476,837)	(386,092)	-	(9,434,501)	0.379-24
	<u>(1,329,562)</u>	<u>(18,385,933)</u>	<u>-</u>	<u>(7,129,359)</u>	<u>(476,837)</u>	<u>(386,092)</u>	<u>11,711,191</u>	<u>(15,996,592)</u>	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iv) Interest rate risk (cont'd)

	Fixed rate		Non-interest bearing	Total	Effective interest rate
	Within 1 year	2 to 5 years			
	S\$	S\$	S\$	S\$	%
Company					
<u>2015</u>					
Cash and bank balances	–	–	161,292	161,292	–
Other receivables	–	–	2,293,369	2,293,369	–
Other non-current asset	–	–	9,455,912	9,455,912	–
Trade and other payables	–	–	(2,634,241)	(2,634,241)	–
Borrowings	(22,698)	(54,790)	–	(77,488)	4.31
	(22,698)	(54,790)	9,276,332	9,198,844	
<u>2014</u>					
Cash and bank balances	–	–	1,861,352	1,861,352	–
Other receivables	–	–	3,924,095	3,924,095	–
Other non-current asset	–	–	12,398,144	12,398,144	–
Trade and other payables	–	–	(1,658,997)	(1,658,997)	–
Borrowings	(21,741)	(77,488)	–	(99,229)	4.31
	(21,741)	(77,488)	16,524,594	16,425,365	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iv) Interest rate risk (cont'd)

A 1% increase/(decrease) in interest rate for the financial assets and financial liabilities with floating rate at the balance sheet date would result in a corresponding decrease/(increase) in loss before tax (2014: loss before tax) as follows:

	Group		Company	
	2015	2014	2015	2014
	S\$	S\$	S\$	S\$
Income statement and equity				
- interest rate increased by 1%	(74,891)	(79,923)	-	-
- interest rate decreased by 1%	74,891	79,923	-	-

(v) Foreign currency risk

There is also exposure to changes in foreign exchange rates arising from foreign currency transactions and balances and changes in fair values. These exposures and changes in fair values from time to time are monitored and any gains and losses are included in the income statement unless otherwise stated in the notes to the financial statements. The Group's policy is to constantly monitor the foreign currency balances and kept them at minimum level sufficient for operational requirements in order to minimise the currency exposures.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(v) Foreign currency risk (cont'd)

The Group and Company's exposure to foreign currency risk is as follows:

	Singapore Dollar S\$	Malaysian Ringgit S\$	United States Dollar S\$	Total S\$
Group				
<u>2015</u>				
Cash and bank balances	433,137	205,416	90,455	729,008
Trade receivables	–	–	24,531	24,531
Other receivables	650,617	118,045	–	768,662
Other non-current assets	261,926	–	–	261,926
Trade and other payables	(5,604,095)	(346,761)	(2,050,927)	(8,001,783)
Financial liabilities, through profit or loss	(4,353,325)	–	–	(4,353,325)
Borrowings	(1,290,409)	(30,039)	(6,626,167)	(7,946,615)
Net financial (liabilities)/assets	(9,902,149)	(53,339)	(8,562,108)	(18,517,596)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currency	9,918,904	53,339	6,826,763	16,799,006
Currency exposure	16,755	–	(1,735,345)	(1,718,590)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(v) Foreign currency risk (cont'd)

	Singapore Dollar S\$	Malaysian Ringgit S\$	United States Dollar S\$	Total S\$
Group				
<u>2014</u> (Restated)				
Cash and bank balances	2,226,655	27,925	871,150	3,125,730
Trade receivables	–	–	27,540	27,540
Other receivables	420,594	231,582	161,971	814,147
Trade and other payables	(4,397,994)	(137,252)	(31,929,578)	(36,464,824)
Borrowings	(99,229)	(42,984)	(9,292,288)	(9,434,501)
Net financial (liabilities)/assets	(1,849,974)	79,271	(40,161,205)	(41,931,908)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currency	1,849,974	(79,271)	38,749,728	40,520,431
Currency exposure	–	–	(1,411,477)	(1,411,477)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(v) Foreign currency risk (cont'd)

	Singapore Dollar S\$	Malaysian Ringgit S\$	United States Dollar S\$	Total S\$
Company				
<u>2015</u>				
Cash and bank balances	152,196	–	9,096	161,292
Other receivables	2,293,319	50	–	2,293,369
Other non-current assets	9,455,912	–	–	9,455,912
Trade and other payables	(2,634,241)	–	–	(2,634,241)
Borrowing	(77,488)	–	–	(77,488)
Net financial assets	9,189,698	50	9,096	9,198,844
Less: Net financial assets denominated in the entity's functional currency	(9,189,698)	–	–	(9,189,698)
Currency exposure	–	50	9,096	9,146
<u>2014</u>				
Cash and bank balances	1,852,852	–	8,500	1,861,352
Other receivables	1,631,747	110,443	2,181,905	3,924,095
Other non-current assets	12,398,144	–	–	12,398,144
Trade and other payables	(1,658,997)	–	–	(1,658,997)
Borrowing	(99,229)	–	–	(99,229)
Net financial assets	14,124,517	110,443	2,190,405	16,425,365
Less: Net financial assets denominated in the entity's functional currency	(14,124,517)	–	–	(14,124,517)
Currency exposure	–	110,443	2,190,405	2,300,848

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(v) Foreign currency risk (cont'd)

A 2% strengthening of the Singapore dollar against the following currencies at the balance sheet date would increase/(decrease) the income statement by the amounts shown above. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Increase/ (decrease) Profit or loss S\$	Company Increase/ (decrease) Profit or loss S\$
<u>2015</u>		
Malaysian ringgit	–	1
United States dollar	34,707	182
<u>2014</u>		
Malaysian ringgit	–	2,209
United States dollar	28,230	43,808

(vi) Price risk

The Group is exposed to equity securities price risk because of the quoted investments held by the Group, which are classified on the consolidated balance sheet as financial assets, at fair value through profit or loss and financial assets, available-for-sale. Some securities are listed in Singapore. The market value of these investments are affected, amongst others, by changes in market prices as a result of changes in global economic conditions, macro and micro economic factors affecting the country, where investments are quoted, and factors specific to investee corporations. The fluctuations in market prices due to the above factors are unforeseen and the Group monitors these changes to respond to them as and when appropriate and necessary.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(vi) Price risk (cont'd)

A 5% (2014: 5%) increase/(decrease) in the underlying equity prices at the reporting date would increase/(decrease) profit or loss and equity by the following amount:

	Group	
	2015	2014
	S\$	S\$
Income statement	–	77,500
Equity	17,533	4,597

This analysis assumes that all other variables remain constant.

(b) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3 – Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

- (b) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Group			
	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
<u>2015</u>				
Financial assets, available-for-sale				
- Equity instruments (unquoted)	-	-	4,968,691	4,968,691
- Equity instruments (quoted)	350,657	-	-	350,657
Financial liability, fair value through profit or loss				
- Debt instruments (quoted)	3,751,555	-	-	3,751,555
- Derivative liability	-	601,770	-	601,770
<u>2014</u>				
Financial assets, fair value through profit or loss				
- Equity instruments (quoted)	1,550,000	-	-	1,550,000
Financial assets, available-for-sale				
- Equity instruments (quoted)	91,941	-	-	91,941
- Equity instruments (unquoted)	-	-	24,141,683	24,141,683

There was no transfer between Level 1 and 2 during the financial years ended 31 December 2015 and 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

- (b) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

Determination of fair value

Fair value of quoted equity instruments are determined directly by reference to their published market bid price at the balance sheet date.

Fair value of the quoted debt instruments and derivative liability being designated as financial liability, at fair value through profit or loss is determined by management based on the published market bid price and Black-Scholes Option Pricing Model ("the Model"). The Model incorporates various inputs including the risk free rate, underlying price, exercise price option and historical volatility of the related quoted shares.

Fair value of the unquoted equity and debt instruments being designated as financial assets, available-for-sale is determined based on the following basis:

- *Enterprise value/Earnings Before Interest Tax and Depreciation ("EV/EBITDA")*: The valuation method is based on adjusted EBITDA multiples (based on the budgeted EBITDA and equivalent corresponding EBITDA multiples of comparable listed companies).
- *Discounted cash flows*: The valuation method considers projected cash flows and assessment of third party external debts.

Movements in Level 3 financial instruments measured at fair value

The following table presents the reconciliation for all financial instruments measured at fair value based inputs for the assets or liability that are not based on observable market data (unobservable inputs).

	Equity instruments (unquoted) S\$
Group	
<u>2015</u>	
Opening balance	24,141,683
Total gain recognised in other comprehensive income	
- net fair value gain on financial assets, available-for-sale	2,260,147
Disposal	(22,748,399)
Purchases	8,907
Currency alignment	1,306,353
	<u>4,968,691</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

- (b) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

Movements in Level 3 financial instruments measured at fair value (cont'd)

	Equity instruments (unquoted)	Debt instruments (unquoted)	Total (Unquoted)
	S\$	S\$	S\$
Group			
<u>2014</u>			
Opening balance	22,207,548	7,095,910	29,303,458
Total losses recognised in other comprehensive loss			
- net fair value loss on financial assets, available-for-sale	(2,236,052)	(4,770,910)	(7,006,962)
Purchases	3,109,443	-	3,109,443
Impairment losses recognised in profit or loss	-	(2,325,000)	(2,325,000)
Currency alignment	1,060,744	-	1,060,744
	<u>24,141,683</u>	<u>-</u>	<u>24,141,683</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

- (b) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

Information about valuation techniques and inputs used in Level 3:

	Valuation Technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(a) For unquoted equity instruments			
- For financial year ended 31 December 2015	EV/EBITDA	EV/EBITDA multiple of 9 times	The higher the EV/EBITDA, the higher the fair value.
- For financial year ended 31 December 2014	EV/EBITDA	EV/EBITDA multiple of 5 times	The higher the EV/EBITDA, the higher the fair value.
(b) For unquoted debt instruments for financial year ended 31 December 2014	Discounted cashflows	Probability of default of 5%	The higher the probability of default, the lower the fair value.

The following table shows the impact on the Level 3 fair value measurement of assets that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

	Effect of reasonably possible alternative assumptions		
	Carrying Amount	Increase	Decrease
	S\$	S\$	S\$
<u>2015</u>			
Available-for-sale financial assets:			
<i>Unquoted equity securities</i>	4,968,691	673,867	(673,867)
<u>2014</u>			
Available-for-sale financial assets:			
<i>Unquoted equity securities</i>	24,141,683	3,369,754	(3,704,849)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35 Financial Instruments (cont'd)

- (b) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

In order to determine the effect of the above reasonably possible alternative assumptions, the Group adjusted the following key unobservable inputs used in the fair value measurement:

- For unquoted equity securities for the financial years ended 31 December 2015 and 31 December 2014, the Group adjusted the EV/EBITDA multiple by increasing and decreasing the multiple by one.
- For unquoted debt securities for the financial year ended 31 December 2014, the Group adjusted the probability of default used to calculate the discounted cash flow. The adjustment was made to increase and decrease the assumption by 5%.

- (c) Fair Value of the Group's Financial Assets and Liabilities that are not Measured at Fair Value on a Recurring Basis (but Fair Value Disclosure is Required)

The following summarises the significant methods and assumption used in estimating fair values of financial instruments of the Group and Company that are not measured at fair value on a recurring basis.

(i) Long term financial assets and financial liabilities

The carrying amounts of deposits, loan receivable, borrowings, obligations under finance leases and other payables approximate fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

(ii) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

36 Restatement of Comparative Figures

The Group has restated the previous year's financial statements due to the recognition of certain advance payments of media content contracts as revenue in 2014. These advance payments should have been recorded as unearned revenue instead of revenue in profit and loss for the financial year ended 31 December 2014.

As a result, certain line items in the consolidated income statement, balance sheet, consolidated statement of cash flows and related notes have been amended as follows:

	As previously reported S\$	Adjustments S\$	Restated S\$
(i) <u>Consolidated Income Statement</u>			
Revenue	9,133,282	(3,093,491)	6,039,791
Loss before tax	(58,563,361)	(3,093,491)	(61,656,852)
Income tax credit	791,077	181,763	972,840
Loss after tax	(57,772,284)	(2,911,728)	(60,684,012)
Total comprehensive loss	(64,805,796)	(2,911,728)	(67,717,524)
(ii) <u>Balance Sheet</u>			
Other current assets	2,120,792	(144,706)	1,976,086
Trade and other payables	12,406,856	2,912,277	15,319,133
Deferred tax liabilities	347,759	(145,255)	202,504
(iii) <u>Consolidated Statement of Cash Flows</u>			
Operating cash flows before changes in working capital	932,533	(3,093,491)	(2,160,958)
Trade and other receivables and other current assets	(2,958,638)	181,214	(2,777,424)
Trade and other payables	4,505,738	2,912,277	7,418,015
(iv) Basic and diluted loss per share (cents)	(5.63)	(0.28)	(5.91)

37 Subsequent Event

Subsequent to the financial year ended 31 December 2015, the Company entered into a Supplemental Agreement to the Subscription Agreement dated 2 October 2015, in connection with the issuance of 1% unsecured equity linked redeemable structured convertible notes due 2018, with an aggregate principal amount of up to S\$50,000,000 in eight tranches. The completion of the convertible notes subscription are subject to the in-principal approval of the Singapore Stock Exchange for the listing of and quotation for the Conversion shares and shareholders' approval to be obtained at an extraordinary general meeting.

SHAREHOLDERS' INFORMATION

As at 31 March 2016

STATISTICS OF SHAREHOLDINGS AS OF 31 MARCH 2016

Number of Shares : 1,097,505,101
Class of Shares : Ordinary shares
Voting Rights : On show of hands : One vote for each member
: On a poll : One vote for each ordinary share
Treasury Shares : Nil (there were no treasury shares)

VOTING RIGHTS

Shareholder's voting rights are set out in Article 65 of the Company's own constitution.

On a show of hands, every member who is present in person or by proxy shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents.

ANALYSIS OF SHAREHOLDINGS BY RANGE

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	55	1.31	2,192	*
100 - 1,000	449	10.68	203,317	0.02
1,001 - 10,000	883	21.00	5,997,166	0.54
10,001 - 1,000,000	2,680	63.75	353,263,192	32.19
1,000,001 AND ABOVE	137	3.26	738,039,234	67.25
TOTAL	4,204	100.00	1,097,505,101	100.00

* Negligible

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 31 March 2016, 57.80% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual is complied with.

SHAREHOLDERS' INFORMATION

As at 31 March 2016

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RHB SECURITIES SINGAPORE PTE. LTD.	115,642,000	10.54
2	ASIASONS INVESTMENT MANAGERS INC	34,000,000	3.10
3	ABN AMRO CLEARING BANK N.V.	28,633,000	2.61
4	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	25,770,000	2.35
5	BALHETCHET CAESAR KEVIN	25,199,082	2.30
6	PHILLIP SECURITIES PTE LTD	24,742,644	2.25
7	OCBC SECURITIES PRIVATE LIMITED	18,325,144	1.67
8	DBS NOMINEES (PRIVATE) LIMITED	17,789,312	1.62
9	RAFFLES NOMINEES (PTE) LIMITED	16,060,500	1.46
10	CITIBANK NOMINEES SINGAPORE PTE LTD	15,191,000	1.38
11	MAYBANK KIM ENG SECURITIES PTE LTD	14,468,890	1.32
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	14,377,586	1.31
13	SZU WEI KUANG	14,000,000	1.28
14	TAN HEE NAM	14,000,000	1.28
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	12,076,049	1.10
16	LI HUA	12,004,000	1.09
17	SEAH CHENG HAI	10,600,000	0.97
18	CHONG FON KHIAM	10,594,800	0.97
19	LIM & TAN SECURITIES PTE LTD	10,337,892	0.94
20	CHAN HIAN GUAN COLIN	10,000,000	0.91
	TOTAL	443,811,899	40.45

SUBSTANTIAL SHAREHOLDERS

SHAREHOLDER'S NAME	DIRECT INTEREST	DEEMED INTEREST
Asiasons Investment Managers Inc	331,000,000	–
Porterhouse Capital Limited	107,000,000	–
Datuk Jared Lim Chih Li ¹	–	438,000,000
Ng Teck Wah ¹	–	438,000,000

¹ By virtue of interests in Asiasons Investment Managers Inc and Porterhouse Capital Limited

NOTICE OF ANNUAL GENERAL MEETING

31 December 2015

ATTILAN GROUP LIMITED

Company Registration No. 199906459N
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 22 Cross Street, #03-54/61 South Bridge Court, China Square Central, Singapore 048421 on Wednesday, 27 April 2016 at 2:30 p.m. for the following purposes:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Directors' Statement and Auditors' Report thereon.
[See Explanatory Note (i)]
2. To re-elect Mr. Attlee Hue Kuan Yew as Director of the Company pursuant to Article 91 of the Company's own constitution.
[See Explanatory Note (iii)] **(Resolution 1)**
3. To approve the payment of Directors' fees of S\$96,000 for the financial year ended 31 December 2015 (2014 : S\$148,742). **(Resolution 2)**
4. To re-appoint Messrs Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 3)**

AS SPECIAL BUSINESS:

5. To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without modifications:-

Ordinary Resolution:

Authority to issue and allot shares

"That, pursuant to Section 161 of the Companies Act (Chapter 50) and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

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

NOTICE OF ANNUAL GENERAL MEETING

31 December 2015

- (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 (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues,

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

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

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro-rata basis, then the aggregate number of shares to be issued under such circumstances (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below); and
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) (where applicable) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of the Company's shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's own constitution; and

NOTICE OF ANNUAL GENERAL MEETING

31 December 2015

- (4) (unless revoked or varied by the Company in a general meeting), such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

[See Explanatory Note (iii)]

[Resolution 4]

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

BY ORDER OF THE BOARD

Thum Sook Fun
Company Secretary

Singapore, 12 April 2016

Explanatory Notes:

- (i) This Agenda item is meant for discussion only, as the provision of Section 201(1) of the Companies Act [Chapter 50] does not require a formal approval for the Audited Financial Statements from the shareholders. Hence, this Agenda item is not put forward to shareholders for voting.
- (ii) Mr. Attlee Hue Kuan Yew will, upon re-election as Director of the Company, remain as member of Audit Committee and Chairman of Remuneration Committee and Nominating Committee and will be considered as independent.
- (iii) The Ordinary Resolution in item No. 5, if passed, will empower the Directors of the Company effective from the date of the above Meeting until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company at a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares in pursuance of such Instruments, up to a number not exceeding, in aggregate 50% of the total number of issued shares (excluding treasury shares) in the capital 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% 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.

For the purpose of this Resolution, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Resolutions 1, 2, 3 and 4 shall be deemed adopted if approved by the holders of a majority of the voting power represented at the meeting in person or by proxy and voting thereon.

NOTICE OF ANNUAL GENERAL MEETING

31 December 2015

Notes:

- (a) A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at a general meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (b) Where a member (other than a Relevant Intermediary*) of the Company appoints two proxies, the appointments shall be invalid unless he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- (c) A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its own constitution and Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
- (d) The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
- (e) The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, must be deposited at the Company's Registered Office at 22 Cross Street, #03-54/61 South Bridge Court, China Square Central, Singapore 048421 not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

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

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IMPORTANT

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

ATTILAN GROUP LIMITED
Company Registration No. 199906459N
(Incorporated in the Republic of Singapore)

Proxy Form

I/We _____ NRIC/Passport No. _____

of _____ (Address)

being a member/members of **ATTILAN GROUP LIMITED** (the "Company") hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 22 Cross Street, #03-54/61 South Bridge Court, China Square Central, Singapore 048421 on Wednesday, 27 April 2016 at 2:30 p.m., and at any adjournment thereof.

Note: Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the **Notice of Annual General Meeting**. In the absence of specific directions or in the event of any item arising not summarised below, the proxy/proxies may vote or abstain from voting as he/they may think fit.

No.	Ordinary Resolutions	For	Against
1	To re-elect Mr. Attlee Hue Kuan Yew as Director of the Company pursuant to Article 91 of the Company's own constitution.		
2	To approve the payment of Directors' fees of S\$96,000 for the financial year ended 31 December 2015.		
3	To re-appoint Messrs Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
4	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the **Notice of Annual General Meeting** for the full purpose and intent of the Resolutions to be passed.

Dated this _____ day of _____ 2016

Total Number of Shares Held

Signature(s) of Member(s)/
Common Seal of Corporate Shareholder

** Delete accordingly*

IMPORTANT: PLEASE READ NOTES OVERLEAF



IMPORTANT NOTES TO PROXY FORM :

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 81SF of the Securities and Futures Act, Chapter 289 of Singapore], you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
 2. A member of the Company [other than a Relevant Intermediary*] entitled to attend and vote at a general meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
 3. Where a member [other than a Relevant Intermediary*] of the Company appoints two proxies, the appointments shall be invalid unless he/she shall specify the proportion of his/her shareholding [expressed as a percentage of the whole] to be represented by each proxy.
 4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him [which number or class of shares shall be specified].
 5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
 6. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its own constitution and Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
 7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
 8. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, must be deposited at the Company's Registered Office at 22 Cross Street, #03-54/61 South Bridge Court, China Square Central, Singapore 048421 not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting.
 9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
 10. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.
- * A Relevant Intermediary is:
- (a) a banking corporation licensed under the Banking Act [Cap. 19] or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act [Cap. 289] and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act [Cap. 36], in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the Personal Data Privacy term as set out in the Notice of the Annual General Meeting dated 12 April 2016.

Affix postage
stamp here

ATTILAN GROUP LIMITED

22 Cross Street
#03-54/61 South Bridge Court
China Square Central
SINGAPORE 048421

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