



# NEW DIRECTIONS

A NEW FRONTIER FOR GROWTH

ANNUAL REPORT 2015



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This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.



## **IMPERIUM CROWN LIMITED**

(Formerly known as Communication Design International Limited)

# **A NEW NAME**

## **A NEW FOCUS: OUR ASPIRATIONS**

Our changed name signals a new era for the Group as we embark on a new journey to become a leading niche property developer and investor in Japan and Asia.

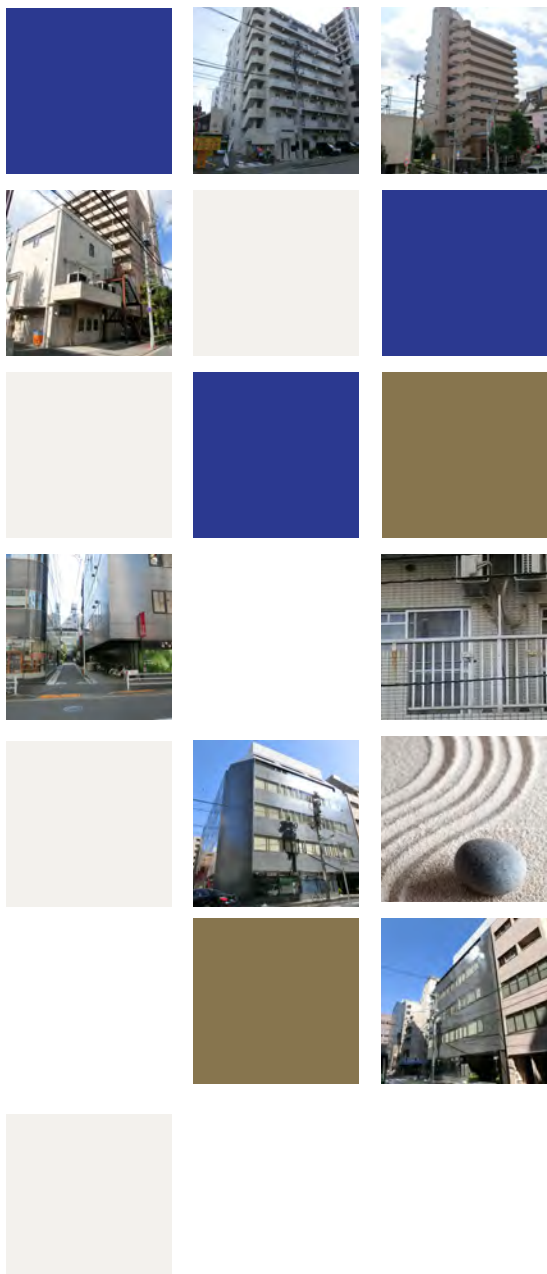
Our logo represents our aim to achieve new heights in the long term through steady growth that is built on strong foundations.

The colour gold represents the value we seek to create through our prudent business strategy and high standards of corporate governance.

The colour blue represents the stability that we seek to achieve from the recurrent income of our property investment portfolio.



## CORPORATE PROFILE



AS PART OF OUR CAPITAL MANAGEMENT STRATEGY, WE SEEK TO DEVELOP A STABLE RECURRENT INCOME STREAM FROM OUR INVESTMENT PROPERTIES.

**Imperium Crown Limited** (formerly known as Communication Design International Limited) is listed on the SGX-ST Catalyst Board (stock code: 5HT) and became a component stock of the FTSE ST Catalyst Index on 21 September 2015. It was listed on SGX-ST (Catalist Board) on 19 January 2006. Following the divestment of its original business, the Company has adopted the new name, Imperium Crown Limited to reflect its focus on the property investment and property development business in Japan and Asia.

### OUR BUSINESS & CAPITAL MANAGEMENT STRATEGY

Our Business Strategy is to build up a diversified portfolio of well-located properties which are generating stable recurrent income. This is part of our capital management strategy to develop sustainable earnings in the longer term.

### OUR PORTFOLIO IS FOCUSED ON:

1. Local residential housing located near transport nodes such as the Tokyo Metro and JR stations and amenities such as supermarkets and schools.
2. Grade B offices which target SME tenants and local companies supporting larger Japanese corporations and MNCs.

In addition, we seek to identify suitable properties which may have potential for future re-development and/or asset enhancement thereby enhancing the value and growth of our portfolio over the longer term.



## PORTFOLIO SUMMARY



OUR PORTFOLIO IS MADE UP OF 5 PROPERTIES IN TOKYO COMPRISING 3 RESIDENTIAL PROPERTIES, A MIXED USE RESIDENTIAL/RETAIL PROPERTY AND AN OFFICE/RETAIL PROPERTY. THESE ARE CONVENIENTLY LOCATED NEAR MAJOR JAPAN RAIL AND TOKYO METRO STATIONS AND OTHER AMENITIES SUCH AS SCHOOLS AND TRAINING INSTITUTES.

### Green Forest Itabashi


**Asset Type:**

Mixed Residential/Commercial

**No. of Units:**

72 residential units and 2 retail units

<b>Address</b>	10-1, Honcho, Itabashi-ku, Tokyo
<b>Tenure of Land</b>	Leasehold
<b>Date of Completion</b>	1994
<b>Nearest Station</b>	Toei Mita Line Itabashi-Honcho Station
<b>No. of Floors</b>	11
<b>Land (m<sup>2</sup>)</b>	1,214
<b>Gross Floor Area (m<sup>2</sup>)</b>	4,075



## PORTFOLIO SUMMARY

### Green Forest Kuramae



**Asset Type:**  
Residential

**No. of Units:**  
78 residential units

<b>Address</b>	13-3, Misuji 1-chome, Taito-ku, Tokyo
<b>Tenure of Land</b>	Freehold
<b>Date of Completion</b>	1987
<b>Nearest Station</b>	Toei Asakura Line Kuramae Station
<b>No. of Floors</b>	9
<b>Land (m<sup>2</sup>)</b>	707
<b>Gross Floor Area (m<sup>2</sup>)</b>	3,228

### Hatchobori Place



**Asset Type:**  
Office

**No. of Units:**  
7 office units

<b>Address</b>	9-1, Irifune 1-chome, Chuo-ku, Tokyo
<b>Tenure of Land</b>	Freehold
<b>Date of Completion</b>	1988
<b>Nearest Station</b>	JR Keiyo Line/Tokyo Metro Hibiya Line Hatchobori Station
<b>No. of Floors</b>	6
<b>Land (m<sup>2</sup>)</b>	580
<b>Gross Floor Area (m<sup>2</sup>)</b>	2,924

## New City Apartment Kuramae



**Asset Type:**  
Residential

**No. of Units:**  
40 residential units

<b>Address</b>	2-1-28, Kuramae Taito-ku, Tokyo
<b>Tenure of Land</b>	Freehold
<b>Date of Completion</b>	2006
<b>Nearest Station</b>	Toei Asakura Line Kuramae Station
<b>No. of Floors</b>	10
<b>Land (m<sup>2</sup>)</b>	322
<b>Gross Floor Area (m<sup>2</sup>)</b>	1,333

## New City Apartment Minowa



**Asset Type:**  
Residential

**No. of Units:**  
26 residential units

<b>Address</b>	2-16-7, Higashinippori, Arakawa-ku, Tokyo
<b>Tenure of Land</b>	Freehold
<b>Date of Completion</b>	2006
<b>Nearest Station</b>	Toei Asakura Line Minowa Station
<b>No. of Floors</b>	8
<b>Land (m<sup>2</sup>)</b>	364
<b>Gross Floor Area (m<sup>2</sup>)</b>	1,050



## CHAIRMAN'S MESSAGE



**Lim Chuan Lam**  
Executive Chairman & CEO

“FY2015 was a significant year for the Group as we achieved major milestones and I am pleased to present our maiden Annual Report under our new name, Imperium Crown Limited. This is also my maiden Report having been appointed as the Executive Chairman and CEO of the Group in May 2015.”

### **FINANCIAL RESULTS : FIRST STEPS**

During the financial year under review, the Group reported net profit of S\$11.98 million due mainly to the net fair value gain on investment properties of S\$19.20 million. The Group saw maiden contributions of S\$1.73 million in revenue from its three investment properties which were acquired in January 2015.

Excluding the fair value gains and deferred tax related to the fair value gains, the Group would have a net loss of S\$2.43 million due mainly to the one-off costs incurred during the financial year ended 30 June 2015. These one-off costs included professional fees and expenses related to the acquisition of three Japanese properties in January 2015.

### **MAKING STEADY PROGRESS WITH S\$51 MILLION INVESTED IN PORTFOLIO OF 5 PROPERTIES**

As previously mentioned in our FY2014 Annual Report, the Group intended to diversify into property investment and development business as part of its strategy to develop stable revenue streams.

I am pleased to report that the Group has taken significant steps in this direction by acquiring 5 properties in Japan to date.

1. In January 2015, we acquired 3 residential/commercial/mixed use properties in Tokyo for S\$31.0 million.
2. In July 2015, we acquired 2 more residential properties in Tokyo for S\$19.6 million.

In June 2015, the Group divested its original business in the outsourced marketing and communications business ("Original Business") to the founder of Communications Design International Limited, Mr David Bay Cheow Guan for S\$3.41 million. This has enabled the Group to better focus our resources on developing our new core business to realise its full potential.

#### **STRENGTHENING OUR CAPITAL BASE AND DEVELOPING A STABLE RECURRENT INCOME STREAM**

Moving forward, we shall continue to adopt a prudent capital management strategy by:

1. Strengthening our capital base; and
2. Developing a stable recurrent income stream from our portfolio of investment properties.

We have raised a total of \$36.47 million in 2 placement exercises in June 2014 and November 2014, bringing our total issued share capital to 490 million shares. Given the capital intensive nature of our business, we will need to strengthen the capital base of our Group so as to enable us to build up a larger and diversified portfolio of properties via fund raising.

To achieve a stable recurrent income stream, we shall remain selective in our acquisitions by focusing on residential and commercial properties:

1. Located near key transport nodes such as Japan Rail and the Tokyo Metro stations
2. Located near or with amenities such as convenience stores, supermarkets and schools
3. Targeting local residents, local SMEs and branches of local corporates

We have also adopted partial hedging of our currency exposure to the Japanese yen for our Singapore Dollar operational needs and where possible, obtain financing from onshore Japanese banks for purchases of properties.

#### **SUCCESSION PLANNING AT THE BOARD**

As part of our succession planning, Mr Robert Walter Dell and Mr Robin Chin Sin Beng retired from the Board at our last AGM held on 29 October 2014 while Mr Leong Koon Weng was appointed to the Board. During the financial year, Mr Zheng Jiabin also left the Group to pursue his personal interests and we wish him well. I would like to express our appreciation to Messrs Dell, Chin and Zheng, particularly Mr Dell for his leadership as Chairman of the Board over the past years. I would also like to welcome Mr Leong to the Board and look forward to his contributions.

Mr David Bay Cheow Guan, formerly President and CEO and subsequently Executive Director (with effect from October 2014) has been re-designated as Non-Executive Director in June 2015 following the divestment of our Original Business to him. I would like to express our appreciation to him for his contributions over the years and continue to look forward to his continued guidance as a Non-Executive Director.

Having embarked on our new business, we have been well supported by our business partners, financial institutions and shareholders. We deeply appreciate the patience and understanding of our shareholders for supporting this significant transformation of the Group which we hope will deliver value for all stakeholders.

Our management team have been at the forefront of this transformation and have been highly committed, working tirelessly during this transition process. I would like to express my heartfelt gratitude for their contributions and guidance throughout the year.

#### **TAPPING OPPORTUNITIES AHEAD**

While the prospects of economic recovery remain uncertain in Japan, the loose monetary policy adopted by the Bank of Japan is expected to underpin the property sector and we believe that there are opportunities to selectively expand our portfolio further.

Looking ahead, our Group is well poised to harness these opportunities and I am confident that we can achieve our goals. This will require much work over the next 5 years and the support and guidance of our stakeholders. By working together, we can build an exciting future for Imperium Crown.

**Lim Chuan Lam**  
Executive Chairman & CEO



## BOARD OF DIRECTORS



**MARK LIM CHUAN LAM**

*Executive Chairman & CEO*

Mr Lim is the Group's Executive Chairman and Chief Executive Officer ("CEO"). He joined the Board on 28 May 2014 as a Non-Executive and Non-Independent Director and was re-designated to Non-Executive and Non-Independent Chairman of the Board on 29 October 2014. Subsequently, he was re-designated to the role of Executive Chairman and CEO on 20 May 2015, and is responsible for formulation and implementation of strategies to improve overall corporate performance to lead corporate planning to further the Company's goals. He was last re-elected on 29 October 2014.

Mr Lim has more than 25 years of experience as an entrepreneur and is a Director of his family business, Chuan Leong Metalimpex Company Pte Ltd ("Chuan Leong") which is involved in fabrication, merchandising and processing of steel products. He is also a Director of Daido Amistar (S) Pte Ltd, a joint venture company formed between Chuan Leong and Tokyo-listed Daido Steel Co., Ltd which provides services for precision tools and die plates used for various industries. Through his businesses, Mr Lim has gained extensive experience in a wide range of industries such as construction, marine, oil & gas and steel & precision engineering.

Mr Lim graduated with a Bachelor of Accountancy (Honours) degree from the National University of Singapore in 1981.



**DAVID BAY CHEOW GUAN**

*Non-Executive & Non-Independent Director*

Mr Bay is the Group's Non-Executive and Non-Independent Director and assists the Chairman in overseeing the Group's business strategy and operations. He is the founder of Communication Design International Limited which has been subsequently renamed as Imperium Crown Limited following a change in the Group's focus to the property investment and property development business in January 2015 and the subsequent divestment of the Original Business in June 2015. He was last re-elected on 29 October 2014.

Mr Bay had started his career providing marketing and communication services to companies seeking to outsource such functions since 1979. Over the years, he has developed an extensive network of business contacts across the world and listed Communication Design International Limited in 2006.



**NG HONG WHEE**

*Non-Executive & Non-Independent Director*

Mr Ng is a Non-Executive and Non-Independent Director and is a member of the Nominating Committee of the Board. He joined the Board on 28 May 2014 and was last re-elected on 29 October 2014.

Mr Ng is currently the President of China Operations of Sincap Group Limited, a company listed on SGX-ST Catalist Board. He was formerly Sincap's Executive Director and Chief Executive Officer. Prior to joining Sincap, from 2004 to July 2011, he was the Business Development and Financial Director of a manufacturer of fish paste in Indonesia. Mr Ng had previously held various roles in Certified Public Accounting firms and private companies. Since March 2011, Mr Ng has also been serving as a director of Lu Kuang Group Pte. Ltd. He is presently an Independent Director of Spackman Entertainment Group Limited, a company listed on SGX-ST Catalist Board.



**PAO KIEW TEE**  
*Independent Director*

Mr Pao is an Independent Director of the Group and is the Chairman of the Audit and Remuneration Committee and a member of the Nominating Committee. He joined the Board in January 2009 and was last re-elected on 21 October 2013. Mr Pao is a Senior Government Auditor currently holding the position of Senior Group Director. As a senior auditor, he leads teams in the audit of government ministries and statutory boards. Mr Pao joined the Singapore Government in 1979. Between 1974 and 1978, Mr Pao worked in New Zealand for the Commercial Bank of Australia after his graduation and subsequently in accounting firms.

Mr Pao is also the independent Non-Executive Chairman and an Independent Director of Logistics Holdings Limited listed on SGX-ST Catalist Board. In addition, he is also an Independent Director of SGX-ST Catalist-listed Jubilee Industries Holdings Limited and Mary Chia Holdings Limited.

Mr Pao graduated from the University of Otago, New Zealand in 1974 with a Bachelor of Commerce (Accounting) degree and is currently a Fellow Chartered Accountant of Singapore. He is active in community work and serves in various grassroots organisations.



**PROFESSOR TAN CHIN TIONG**  
*Independent Director*

Professor Tan Chin Tiong is an Independent Director and joined the Board on 1 December 2005. He is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He was last elected to the Board on 21 October 2013.

Prof Tan is a leading authority in the area of marketing and is active in management development and consulting. He is currently the Senior Advisor to the President and Professor of Marketing at the Singapore Management University ("SMU"). He is the Founding Provost of SMU and was its Provost and Deputy President from 1999 to 2009. In addition, he was the founding President of Singapore Institute of Technology and held the position from 2009 to 2013. He was also the Past President of the Marketing Institute of Singapore.

Between 1995 and 2014, Prof Tan was a Director of Citibank Singapore Ltd. His past directorships in Singapore listed companies for the preceding three years include Hup Soon Global Corporation Ltd, Hersing Corporation Ltd and Superior Multi-Packaging Ltd. He is currently an Independent Director of Health Management International Ltd, which is listed on the SGX-ST Main Board.

Prof Tan holds a doctorate in Business Administration from the Pennsylvania State University, USA. He is active with numerous government agencies and has served on the committees of various government bodies over the years.



**LEONG KOON WENG**  
*Independent Director*

Mr Leong is an Independent Director and joined the Board on 29 October 2014. He is a member of the Audit and Remuneration Committees.

Mr Leong is currently the Director of Business Development of SGX-ST Main Board-listed ValueMax Group Limited. Prior to joining ValueMax Group Limited, he was a Director in Windsor Management Pte Ltd, a company engaged in property and asset management, consultancy and advisory services.

Previously, he has had 20 years of banking experience where he held various positions with local and international banks in areas of corporate banking, enterprise banking and credit risk review. He had also served as the Executive Director of SGX-ST Catalist-listed Gates Electronics Limited (now known as China Environment Limited) where he was involved in its initial public offering and was the Chief Financial Officer of SGX-ST Main Board-listed Oceanus Group Limited.

Mr Leong graduated with a Bachelor of Social Sciences (Honours in Economics) from the National University of Singapore. He is a member of the Singapore Institute of Directors and a member of the School Advisory Committee in New Town Secondary School.



## KEY MANAGEMENT



**MARK LIM CHUAN LAM**

*Chief Executive Officer*

Please refer to page 8.



**KOH CHAI NYUK**

*Chief Financial Officer*

Ms Koh is the Group's Chief Financial Officer. She joined the Company as Group Accountant in September 2010 and was appointed as CFO on 1 April 2015. Her key responsibilities include assisting the Chairman and CEO in the Group's capital management strategy, overseeing the Group's accounting and financial functions and the Group's administrative matters.

Prior to joining the Group, she was the Senior Accountant at Globalroam Group Limited. Ms Koh started her career in public accounting firms, including RSM Chio Lim from 2006 to 2008. Ms Koh holds a Bachelor of Commerce (Accounting and Finance) Degree from Curtin University of Technology, Australia and is a member of the Institute of Singapore Chartered Accountants and Certified Practising Accountants of Australia.





## FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

NET ASSET VALUE PER  
ORDINARY SHARE

**11.55**  
CENTS

INVESTMENT  
PROPERTIES

**S\$72.050**  
MILLION

NET PROFIT AFTER TAX  
ATTRIBUTABLE TO EQUITY HOLDERS  
OF THE COMPANY

**S\$11.978**  
MILLION

EARNINGS  
PER SHARE

**3.03**  
CENTS

TOTAL  
REVENUE

**S\$1.734**  
MILLION

CASH AND  
CASH EQUIVALENTS

**S\$10.530**  
MILLION



## CORPORATE INFORMATION

### DIRECTORS

Lim Chuan Lam (Executive Chairman & Chief Executive Officer)  
Bay Cheow Guan David (Non-Executive & Non-Independent Director)  
Ng Hong Whee (Non-Executive & Non-Independent Director)  
Pao Kiew Tee (Independent Director)  
Professor Tan Chin Tiong (Independent Director)  
Leong Koon Weng (Independent Director)

### AUDIT COMMITTEE

Pao Kiew Tee (Chairman)  
Professor Tan Chin Tiong  
Leong Koon Weng

### REMUNERATION COMMITTEE

Pao Kiew Tee (Chairman)  
Professor Tan Chin Tiong  
Leong Koon Weng

### NOMINATING COMMITTEE

Professor Tan Chin Tiong (Chairman)  
Pao Kiew Tee  
Ng Hong Whee

### COMPANY SECRETARY

Wong Chuen Shya (Huang Chunxia)

### REGISTERED OFFICE

25 Bukit Batok Crescent  
#08-01 The Elitist  
Singapore 658066  
Tel no.: +65 6250 0925  
Fax no.: +65 6250 0903  
[www.imperium-crown.com](http://www.imperium-crown.com)

### SPONSOR

PrimePartners Corporate Finance Pte Ltd  
16 Collyer Quay  
#10-00 Income At Raffles  
Singapore 049318

### AUDITORS

RSM Chio Lim LLP  
8 Wilkie Road  
#03-08 Wilkie Edge  
Singapore 228095

### AUDIT PARTNER-IN-CHARGE

Ho Chee Kong, Donald  
*Appointed with effect from financial year ended 30 June 2015*

### SHARE REGISTRAR

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



## CORPORATE GOVERNANCE REPORT

The Board of Directors (the “Board”) of Imperium Crown Limited (formerly known as Communication Design International Limited) (the “Company”) and together with its subsidiaries, the “Group”) firmly believes in maintaining the appropriate practices in its business and operational policies, and has adopted practices based on the Code of Corporate Governance 2012 (“the Code”) issued by the Monetary Authority of Singapore.

The Company confirms that it has, for the financial year ended 30 June 2015 (“FY2015”) adhered to the principles and guidelines as set out in the Code, and has specified and explained the areas of non-compliance, where applicable.

### **PRINCIPLE I - THE BOARD’S CONDUCT OF AFFAIRS**

The Board regularly reviews the business plans and the financial performance of the Group. The Board has the overall responsibility for putting in place a framework of good corporate governance in the Group, including the processes for financial reporting and compliance. All Board members bring their independent judgement, diversified knowledge and experience to bear on issues of strategy, performance, resources and standards of conduct. All directors are required to use reasonable diligence in discharging their duties and responsibilities at all times as fiduciaries and act in good faith in the best interests of the Group.

The Group has adopted a set of guidelines on matters that require Board approval. Matters which are specifically reserved for the Board’s decision include those involving business plans and budgets, material acquisitions and disposals of assets and companies, financial restructuring, corporate strategy, share issuances, dividends, reviewing management performance, setting company’s values and standards, establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Company’s assets, ensuring that obligations to shareholders and other stakeholders are understood and met, and considering sustainability issues.

The Board has delegated specific responsibilities to three sub-committees, namely the Audit, Nominating and Remuneration Committees (collectively, the “Board Committees”). These Board Committees have the authority to examine and report to the Board on their decisions and/or recommendations made on particular issues but the ultimate responsibility and decision on all matters lies on the entire Board.

The Board conducts a series of scheduled meetings throughout the financial year. Ad-hoc meetings are convened whenever circumstances require. The Company’s Articles of Association allows a Board Meeting to be conducted by way of telephonic and video-conference or any other electronic means of communication.

The attendance of the directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, held for the financial year ended 30 June 2015 (“FY2015”) are summarised in the table below:

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Mr Robert Walter Dell <sup>1</sup>	3	1	N/A	N/A	1	1	N/A	N/A
Mr Bay Cheow Guan David <sup>2</sup>	3	3	N/A	N/A	1	1	N/A	N/A
Mr Pao Kiew Tee	3	3	2	2	1	1	1	1
Professor Tan Chin Tiong	3	3	2	2	1	1	1	1
Mr Robin Chin Sin Beng <sup>3</sup>	3	1	2	1	1	1	1	1
Mr Zheng Jiabin <sup>4</sup>	3	3	N/A	N/A	N/A	N/A	N/A	N/A
Mr Lim Chuan Lam <sup>5</sup>	3	3	N/A	N/A	N/A	N/A	N/A	N/A
Mr Ng Hong Whee	3	3	N/A	N/A	N/A	N/A	N/A	N/A
Mr Leong Koon Weng <sup>6</sup>	3	1	2	1	N/A	N/A	N/A	N/A

**Note:**

<sup>1</sup> Mr Robert Walter Dell retired as a director of the Company with effect from 29 October 2014.

<sup>2</sup> Mr Bay Cheow Guan David was re-designated to Non-Executive Director of the Company with effect from 29 June 2015.

<sup>3</sup> Mr Robin Chin Sin Beng retired as a director of the Company with effect from 29 October 2014.

<sup>4</sup> Mr Zheng Jia Bin resigned as a director of the Company with effect from 13 April 2015.

<sup>5</sup> Mr Lim Chuan Lam was re-designated to Executive Chairman and Chief Executive Officer of the Company with effect from 20 May 2015.

<sup>6</sup> Mr Leong Koon Weng was appointed as a director of the Company with effect from 29 October 2014.



## CORPORATE GOVERNANCE REPORT

The Board is familiar with the Group's business and governance practices and has been briefed on their responsibilities as directors of a listed company. To keep abreast with developments in corporate, financial, legal and other compliance requirements, directors are encouraged to attend relevant training courses, particularly on relevant new laws, regulations and changing commercial risks, from time to time, funded by the Company. Any updates on relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts.

During FY2015, the AC is kept abreast, during the AC meetings, by the Management and the external auditors of changes to accounting standards, Listing Manual Section B: Rules of the Catalist ("Catalist Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST") and other regulations which could have an impact on the Group's business and financial statements.

Incoming directors, when appointed, will undergo an orientation that includes a briefing by Management on the Group's structure, business, operations and policies. First-time directors of listed companies in Singapore will be encouraged to attend relevant training seminars and courses organised by the Accounting and Corporate Regulatory Authority of Singapore, SGX-ST and the Singapore Institute of Directors.

Newly appointed directors will also be provided with a formal letter setting out their duties and obligations.

### **PRINCIPLE 2 - BOARD COMPOSITION AND GUIDANCE**

The Chairman and members of the Board are as follows:

Mr Lim Chuan Lam	- Executive Chairman and Chief Executive Officer
Mr Bay Cheow Guan David	- Non-Executive & Non-Independent Director
Mr Ng Hong Whee	- Non-Executive & Non-Independent Director
Mr Pao Kiew Tee	- Independent Director
Professor Tan Chin Tiong	- Independent Director
Mr Leong Koon Weng	- Independent Director

On an annual basis, each director is required to complete a 'Confirmation of Independence' form to confirm his independence. The said form, which was drawn up based on the definitions and guidelines set forth in Guideline 2.3 of the Code and the Guidebook for Audit Committees in Singapore issued by the Audit Committee Guidance Committee ("Guidebook"), requires each director to assess whether he considers himself independent despite not having any of the relationships identified in the Code. The criterion of independence is based on the definition given by the Code, which stipulates that an independent director is 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 business judgement with a view to the best interests of the Company, in the conduct of the Company's affairs.

The Nominating Committee has reviewed the forms completed by each director and confirmed that half of the Board comprises independent directors. The Company is in compliance with Guideline 2.2 of the Code where independent directors should make up at least half of the Board where the Chairman of the Board and the Chief Executive Officer is the same person.

As a Group, the directors bring with them a broad range of industry knowledge, expertise and experience in areas such as accounting, finance, business and management, strategic planning and customer service, which are relevant to the direction of a large and expanding group. The Nominating Committee is of the view that the current Board comprises persons who as a Group, provide capabilities required for the Board to be effective.

The Board reviews the size of the Board on an annual basis, and is of the view that the present Board size is considered appropriate for the current scope and nature of the Group's operations and facilitates effective decision making. No individual or group is able to dominate the Board's decision-making process.



## CORPORATE GOVERNANCE REPORT

The non-executive directors constructively challenge and help to develop proposals on strategy and review the performance of Management in meeting the agreed goals and objectives, and monitor the reporting of Company's performance. To facilitate a more effective check on Management, non-executive directors and independent directors are encouraged to meet regularly without the presence of Management. In FY2015, they have met at least once without the presence of Management.

In line with Guideline 2.4 of the Code, the Nominating Committee had conducted a rigorous review on the independence of the independent director, Professor Tan Chin Tiong, who has served Board beyond 9 years. The relevant factors were taken into consideration in determining the independence of Professor Tan Chin Tiong are set out under Principle 4 on page 17. The Nominating Committee with the concurrence of the Board is satisfied that Professor Tan Chin Tiong, having served on the Board for more than 9 years, continued to be considered independent. Professor Tan Chin Tiong abstained from the rigorous review pertaining to the review of his independence.

### **PRINCIPLE 3 - CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")**

The Chairman and CEO of the Company is Mr Lim Chuan Lam who was appointed with effect from 20 May 2015. As the CEO, he plays an instrumental role in establishing the direction and strategic development of the Group and in the overall management of the Group's new core business of property investment and property development, after the divestment of the Group's entire outsourced marketing and communications business to its original founder, Mr Bay Cheow Guan David, a non-executive director of the Company (via the disposal of its entire shareholding in the issued and paid-up share capital of its wholly-owned subsidiary, CDI Holding Pte. Ltd. and its subsidiaries, including the Company's shareholding interests in CDI Europe GmbH (collectively, the "Disposal Group") (the "Disposal").

As the Chairman, Mr Lim leads the Board to ensure its effectiveness on all aspects of its role as well as formulation and implementation of strategies to improve overall corporate performance and to lead corporate planning to further the Company's goals. Besides that, he ensures that Board meetings are held half-yearly and as and when necessary, sets Board meeting agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues and promote a culture of openness and debate at the Board. The Chairman also ensures that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognizant of the affairs of the Group as well as effective communication with shareholders. To facilitate the effective contribution of non-executive directors, he encourages constructive relations within the Board and between the Board and the Management. He also takes a leading role in ensuring the Company strives to achieve and maintain high standards of corporate governance.

Pursuant to Guideline 3.3 of the Code, as the Chairman and CEO of the Company is Mr Lim Chuan Lam, the Company should appoint a lead independent director. The Board has deliberated and agreed that given the Company's current size and operations, there is currently no necessity to appoint a lead independent director. The Board is of the view that current independent directors would be able to perform the same functions as the lead independent director. The independent directors are available to shareholders where they have concerns and for which contact through the normal channels of the Executive Chairman and CEO or the Chief Financial Officer ("CFO") has failed to resolve or is inappropriate. Nevertheless, the Board would review the need to appoint the lead independent director from time to time.

The independent directors are encouraged to meet periodically without the presence of the other Directors and provide feedback to the Chairman after such meetings.



## CORPORATE GOVERNANCE REPORT

### **PRINCIPLE 4 - BOARD MEMBERSHIP**

As at 30 June 2015, the Nominating Committee ("NC") comprises three members. The Chairman of the NC is an independent director who is not a substantial shareholder nor directly associated with a substantial shareholder. The majority of the NC members are independent directors. The members of the NC are:

Professor Tan Chin Tiong	(Chairman)	(Independent Director)
Mr Pao Kiew Tee		(Independent Director)
Mr Ng Hong Whee		(Non-Executive and Non-Independent Director)

The NC is guided by its term of reference that sets out its responsibilities. Some of these responsibilities include:

- to recommend to the Board on the appointment and re-appointment of directors;
- to review annually the independence of each director, and ensure that the Board comprises at least one-third independent directors while bearing in mind Guideline 2.2 of the Code;
- to review the Board succession plans for directors, in particular, the Chairman and for the CEO;
- to review the training and professional development programs for the Board;
- to decide, where a director has multiple board representation, whether the director is able to and has been adequately carrying out his duties as director of the Company;
- to decide how the Board's performance may be evaluated and propose objective performance criteria to assess effectiveness of the Board; and
- to assess the performance of the Board as a whole, as well as the contribution of each director to the effectiveness of the Board.

In its search, nominating and selection process for new directors, the NC identifies the key attributes that an incoming director should have, based on a matrix of attributes of the existing Board and the requirements of the Company. The NC taps on the resources of directors' personal contacts and recommendations of potential candidates, and goes through a short listing process. The NC will then nominate the most suitable candidate for appointment to the Board for approval.

The NC is responsible for making recommendations to the Board on the re-nomination of directors at regular intervals and at least once every three years for each director, as required by the Articles of Association of the Company. In its deliberations on the re-nomination of existing directors, the NC takes into consideration the directors' contribution and performance (including, if applicable, his contribution and performance as an independent director). The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees.

Pursuant to the Company's Articles of Association, every Director must retire from office at least once every three years by rotation. Directors who retire are eligible to offer themselves for re-election. The Chairman and CEO, as a Director, is subject to the same retirement by rotation provisions as the other Directors and such provisions will not be subject to any contractual terms that he may have entered into with the Company. Each member of the NC shall abstain from voting on any resolutions in respect to his re-nomination as a Director. The NC has recommended the nomination of Mr Pao Kiew Tee ("Mr Pao") and Professor Tan Chin Tiong ("Prof Tan") who would be retiring by rotation under Article 104 of the Company's Articles of Association for re-election at the forthcoming Annual General Meeting ("AGM") to be held on 28 October 2015. In making the recommendations, the NC had considered the directors' overall contribution and performance. The recommendations of the aforesaid nominations of directors have been accepted by the Board. Mr Pao will, upon re-election as a Director, remain as Chairman of Audit and Remuneration Committees and member of Nominating Committee; Prof Tan will, upon re-election as a Director, remain as Chairman of Nominating Committee and a member of Audit and Remuneration Committees.

Mr Pao and Prof Tan will be considered independent for the purposes of Rule 704(7) of the Catalyst Rules of the SGX-ST.

Mr Pao and Prof Tan had abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their own performance or re-election as a director.



## CORPORATE GOVERNANCE REPORT

The NC is also responsible for determining annually, the independence of directors. In doing so, the NC takes into account the circumstances set forth in Guidelines 2.3 and 2.4 of the Code and any other salient factors. The independent directors have confirmed that they do not have any 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 business judgement with a view to the best interests of the Company. The NC has reviewed and determined that the said directors are independent.

In reviewing the independence of Prof Tan, an independent director who has served on the Board for more than 9 years from the date of his first appointment, the Board has taken into consideration, *inter alia*, the following factors:

- a. There was a change in the composition of the Board, Management and controlling shareholders after the Disposal in June 2015 and a change in business focus.
- b. The independent director's considerable amount of experience and wealth knowledge that the independent director brings to the Company.
- c. The attendance and active participation in the proceedings and decision making process of the Board and Board Committees' meetings.
- d. Provision of continuity and stability to the new Management at the Board level by continuing to provide impartial advice and insights through exercising his independent judgement.
- e. The independent director's qualification and expertise provides reasonable checks and balances for the Management.
- f. The independent director has provided adequate attention and sufficient time has been devoted to the proceedings and business of the Company. He is adequately prepared and responsive and heavily involved in the discussion at the meeting.
- g. The independent director provides overall guidance to Management and act as safeguard for the protection of the Company's assets and shareholders' interests.

Premised on the above and with the absence of existence of relationships or circumstances set forth in Guideline 2.3 of the Code, the NC with the concurrence of the Board, has reviewed the suitability of Prof Tan being an independent director who has served on the Board for 9 years and has affirmed that Prof Tan remains independent. Prof Tan had abstained from discussions in relation to the review of his independence.

The NC is satisfied that sufficient time and attention are being given by the directors to the affairs of the Group, notwithstanding that some of the directors have multiple board representations and other principal commitments. Only four (4) directors hold directorships in other listed companies of which each of them holds not more than 3 such other directorships. As such, the NC is of the view that there is presently no need to implement internal guidelines to address their competing time commitments and fix the maximum number of listed company directorships a director should hold. The Board concurs with the view of the NC. The NC and the Board would continue to review from time to time the board representations and other principal commitments of each director to ensure that the directors continue to meet the demands of the Group and are able to discharge their duties adequately. The NC and the Board would also review from time to time if there is a need to set a maximum number of listed company directorships a director should hold.

There is no alternate director on the Board.



## CORPORATE GOVERNANCE REPORT

Key information regarding the directors are set out below:

Name of Director	Date of First Appointment	Date of Last Re-election	Relationship with Directors, the Company or Substantial Shareholders	Directorships and/or Chairmanships both present and those held over the preceding three years in other Listed Companies	Other Principal Commitments
Mr Lim Chuan Lam	28 May 2014	29 October 2014	Is a substantial shareholder of the Company	<u>Present</u> Nil  <u>Preceding 3 years</u> Nil	Director of Chuan Leong Metalimpex Company Pte Ltd
Mr Bay Cheow Guan David	22 July 1995	29 October 2014	–	<u>Present</u> Sincap Group Limited  <u>Preceding 3 years</u> Nil	Executive Director of CDI Holding Pte Ltd and Group of Companies
Mr Ng Hong Whee	28 May 2014	29 October 2014	–	<u>Present</u> Spackman Entertainment Group Ltd  <u>Preceding 3 years</u> Sincap Group Limited	President of China Operations of Sincap Group Limited
Mr Pao Kiew Tee	29 January 2009	21 October 2013 (To be re-elected at the forthcoming AGM)	–	<u>Present</u> Jubilee Industries Holdings Limited Mary Chia Holdings Limited Logistics Holdings Limited  <u>Preceding 3 years</u> Nil	Senior Government Auditor
Professor Tan Chin Tiong	1 December 2005	21 October 2013 (To be re-elected at the forthcoming AGM)	–	<u>Present</u> Health Management International Ltd MYP Ltd  <u>Preceding 3 years</u> Hup Soon Global Corporation Ltd Hersing Corporation Ltd Superior Multi-Packaging Ltd	Senior Advisor to the President and Professor of Marketing at SMU
Mr Leong Koon Weng	29 October 2014	–	–	<u>Present</u> Nil  <u>Preceding 3 years</u> Nil	Director of Business Development of ValueMax Group Limited

The profile and relevant information of the members of the Board are set on pages 8 to 9 of the Annual Report. The Directors' interests in shares are as disclosed in page 28 of the Report of the Directors.



## CORPORATE GOVERNANCE REPORT

### **PRINCIPLE 5 - BOARD PERFORMANCE**

The Board has implemented a collective questionnaire assessment process for assessing its effectiveness as a whole. The collective assessment process comprises a questionnaire (covering areas such as the effectiveness of the Board in its monitoring role and the attainment of the strategic and long-term objectives set by the Board, including the enhancement of shareholders' value) which is completed by each director individually. The results and conclusions are then presented to the Board by the NC and an action plan is drawn up to address any areas for improvement.

Although the Board's performance evaluation does not include a benchmark index of its industry peers and its share price performance over a five-year period, the Board performance assessment is undertaken collectively and informally on a continual basis by the NC with input from other Board members.

The performance criteria will not be changed from year to year but where circumstances deem it necessary for any criteria to be changed, the Board will justify such decision.

The assessment of individual directors will be carried out jointly by the Board and the assessment parameters for such individual evaluation will include attendance and contributions during Board meetings as well as commitment to their role as directors. The Chairman of the Board would act on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of directors, in consultation with the NC.

### **PRINCIPLE 6 - ACCESS TO INFORMATION**

All directors receive a set of Board and Board Committee papers prior to the Board and Board Committee meetings. This is generally provided to them in a timely manner prior to the meetings so that there is sufficient time to enable the directors to obtain further explanations, where necessary, in order to be briefed properly and prepare for the meetings. Directors are entitled to request from Management and should be provided with such additional information as needed to make informed decisions, and Management shall provide the same in a timely manner. The Board papers include the following documents and details:

- Background or explanations on matters brought before the Board for decision or information, including issues being dealt with by Management, and relevant financial statements, budgets, forecasts and projections;
- Minutes of the previous Board meetings; and
- Minutes of meetings of all Board Committees held since the previous Board Committee meetings.

The directors have separate and independent access to the Management, including the CFO and other key management personnel, as well as the Company's external auditors.

All directors have separate and independent access to the advice and services of the Company Secretary. The Company Secretary and/or her representatives attend all meetings of the Board and Board Committees, and ensure that Board procedures are followed and that applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary is responsible for ensuring good information flow within the Board and its Board Committees and between Management and non-executive directors, as well as facilitating orientation and assisting with professional development as required.

The Board may take independent professional advice, where necessary in the furtherance of their duties, at the Company's expense.

Under the Articles of Association of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.



## CORPORATE GOVERNANCE REPORT

### **PRINCIPLE 7 - PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**

### **PRINCIPLE 8 - LEVEL AND MIX REMUNERATION**

### **PRINCIPLE 9 - DISCLOSURE ON REMUNERATION**

The Remuneration Committee ("RC") comprises the following independent non-executive directors:

Mr Pao Kiew Tee	(Chairman)	(Independent Director)
Professor Tan Chin Tiong		(Independent Director)
Mr Leong Koon Weng		(Independent Director)

The principal responsibilities of the RC are:

1. To recommend to the Board a general framework and review procedure for determining the remuneration packages and specific remuneration packages for each director, the CEO, key management personnel and any other employees who are related to the controlling shareholders. The RC's recommendations are submitted for endorsement by the entire Board. The framework covers all aspects of executive remuneration (including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind);
2. To view the appropriateness of the remuneration packages in relation to the level of contribution and performance of each director, key management personnel and employee; and
3. To administer the Imperium Crown Employee Share Option Scheme\* (the "Scheme").

#### **Note:**

- \* In view of the change of the Company's name from "Communication Design International Limited" to "Imperium Crown Limited", the name of the employee share option scheme shall be renamed as Imperium Crown Employee Share Option Scheme.

The Scheme will be administered by our RC in its sole and absolute discretion with such powers and duties as are conferred on it by the Board.

For the details of the Scheme, please refer to the Company's prospectus dated 11 January 2006 as described in the section entitled "The CDI Employee Share Option Scheme". Full-time employees of the Company, Executive Directors and Non-Executive Directors (including independent directors) are eligible to participate in the Scheme.

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares. There were no employee share options granted since the commencement of the Scheme. Therefore, the provisions defined under Rules 851(1)(b), (c) and (d) of the Catalist Rules of the SGX-ST are not applicable.

While none of the members of the RC specialises in the field of executive remuneration, they do possess general knowledge in this area and will seek external professional advice in relation to such remuneration matters, at the expense of the Company, if necessary.

The Company did not engage any remuneration consultants during FY2015.

In setting remuneration packages for the Executive Directors and key management personnel of the Company, the pay and employment conditions within the industry and in comparable companies, the Group's relative performance and the performance of individual directors and key management personnel, are taken into account to maintain an appropriate and competitive level of remuneration that will attract, retain and motivate the directors and key management personnel. The terms of the service contracts of the executive directors and key management personnel, including termination clauses, are not overly generous.

The performance-related elements of remuneration are designed to align interests of executive directors and key management personnel with those of shareholders and link rewards to corporate and individual performance and promote the long-term success of the Company. The Company is generally encouraged to grant the long-term incentive schemes to executive directors and key management personnel.



## CORPORATE GOVERNANCE REPORT

The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of Directors. Non-executive directors will not be over-compensated to the extent that their independence may be compromised.

The service agreement entered between the Company and Mr Lim Chuan Lam, the Executive Chairman and CEO of the Company on 20 May 2015 is for an initial period of three years. This service agreement is subject to review by the RC at the end of each 12-month period and the first review of Mr Lim's service agreement shall take place for the financial year ending 30 June 2017. The service agreement of Mr Lim provides for termination by either party giving to the other not less than 6 months' prior written notice. Mr Lim's service agreement does not provide for any profit sharing arrangement.

The service agreement entered between the Company and Ms Koh Chai Nyuk, CFO of the Company on 1 April 2015 is for an initial period of two years. This service agreement is subject to review by the RC at the end of each 12-month period and the first review of Ms Koh's service agreement shall take place for the financial year ending 30 June 2016. The service agreement of Ms Koh provides for termination by either party giving to the other not less than 3 months' prior written notice. Ms Koh Chai Nyuk is entitled to the incentive bonus for each financial year, which shall be determined by the RC.

The RC has recommended to the Board an amount of S\$197,500 as directors' fees for FY2015. This recommendation will be tabled for shareholders' approval at the forthcoming AGM.

No director is involved in deciding his own remuneration.

Contractual provisions were included in the service agreement of the executive director to allow the Company to reclaim incentive components of remuneration from executive director in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

The following table shows a breakdown (in percentage terms) of directors' remuneration and each individual director's remuneration (rounded off to the nearest \$1,000) for FY2015:

### Directors' Remuneration

Name of Director	Director's Fees <sup>7</sup>	Salary Remuneration <sup>8</sup>	Bonus <sup>8</sup>	Other Benefits	Total (\$)
Mr Lim Chuan Lam <sup>1</sup>	98%	—	—	2%	42,000
Mr Bay Cheow Guan, David <sup>2</sup>	—	39%	—	61%	1,178,000
Mr Pao Kiew Tee	100%	—	—	—	46,000
Prof Tan Chin Tiong	100%	—	—	—	42,000
Mr Zheng Jia Bin <sup>3</sup>	—	100%	—	—	86,000
Mr Ng Hong Whee	100%	—	—	—	36,000
Mr Leong Koon Weng <sup>4</sup>	100%	—	—	—	33,000
Mr Robert Walter Dell <sup>5</sup>	—	100%	—	—	147,000
Mr Robin Chin Sin Beng <sup>6</sup>	—	—	—	—	—

### Notes:

- <sup>1</sup> Mr Lim Chuan Lam was re-designated to Executive Chairman and CEO of the Company on 20 May 2015.
- <sup>2</sup> Mr Bay Cheow Guan David was re-designated to Non-Executive Director of the Company with effect from 29 June 2015.
- <sup>3</sup> Mr Zheng Jia Bin resigned as an executive director of the Company with effect from 13 April 2015.
- <sup>4</sup> Mr Leong Koon Weng was appointed as a director of the Company with effect from 29 October 2014.
- <sup>5</sup> Mr Robert Walter Dell retired as a director of the Company with effect from 29 October 2014.
- <sup>6</sup> Mr Robin Chin Sin Beng retired as a director of the Company with effect from 29 October 2014.
- <sup>7</sup> The proposed directors' fees are subject to shareholders' approval at the forthcoming AGM.
- <sup>8</sup> The salary and bonus amounts shown are inclusive of allowances and CPF.



## CORPORATE GOVERNANCE REPORT

The following table shows a breakdown (in percentage terms) of the key management personnel's remuneration (in bands of S\$250,000) who are not directors or the CEO for FY2015:

### Remuneration of top key management personnel who is not a director

Name of Key Management Personnel	Salary Remuneration <sup>3</sup> %	Bonus <sup>3</sup> %	Other Benefits %	Total %
<b>Below S\$ 250,000</b>				
Ms Koh Chai Nyuk <sup>1</sup>	100%	–	–	100%
Mr John K Robinson <sup>2</sup>	63%	26%	11%	100%
Mr Paul G Simpson <sup>2</sup>	85%	6%	9%	100%
Mr Durl W Jensen <sup>2</sup>	85%	–	15%	100%
Mr Jay A Subers <sup>2</sup>	84%	11%	5%	100%

#### Notes:

<sup>1</sup> Ms Koh Chai Nyuk was appointed as the CFO of the Company with effect from 1 April 2015.

<sup>2</sup> Employees of the Disposal Group who were part of the Company until the completion of the sale of the Disposal on 29 June 2015

<sup>3</sup> The salary and bonus amounts shown are inclusive of allowances and CPF.

The aggregate remuneration of the key management personnel (who are not Directors or CEO of the Company) paid in FY2015 amounted to S\$863,000.

None of the Directors (including the CEO) and the top key management personnel (who are not Directors or the CEO) of the Company has received any termination, retirement and post-employment benefits for FY2015, except a termination payout of S\$400,000 granted to Mr Bay Cheow Guan David for loss of office.

There is no employee of the Group who is an immediate family member of a Director or substantial shareholder whose remuneration exceeds S\$50,000 for FY2015 except for Ms Teo Geok Lin, who is the spouse of Mr Bay Cheow Guan David, received remuneration in the band of between S\$150,000 to S\$200,000 for FY2015 and Mr Arthur Bay Cheow Seng, who is the brother of Mr Bay Cheow Guan David, received remuneration in the band of between S\$50,000 to S\$100,000 for FY2015. Ms Teo Geok Lin and Mr Arthur Bay Cheow Seng are employees of the Disposal Group and were part of the Company until the completion of the Disposal on 29 June 2015.

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

### **PRINCIPLE 10 - ACCOUNTABILITY**

The Board is accountable to the shareholders and provides the shareholders with a detailed and balanced explanation and analysis of the Group's performance, position and prospects on a half-yearly basis.

Management is accountable to the Board and presents monthly financial statements of the Group's performance, position and prospects to the Audit Committee and Board for review and/or approval.

For the interim unaudited financial statements, the Board provides a negative assurance confirmation to shareholders, in line with Rule 705(5) of the Catalyst Rules.

### **PRINCIPLE 11 - RISK MANAGEMENT AND INTERNAL CONTROLS**

The Board recognises the importance of a sound system of internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems on an annual basis. It should be noted that such systems are designed to manage rather than to eliminate the risk of failure. Accordingly, the systems can provide only reasonable, and not absolute assurance against occurrence of material errors, poor judgement in decision-making, losses resulting from human error, fraud and non-compliance with all relevant legislation or other irregularities.



## CORPORATE GOVERNANCE REPORT

The Company does not currently have a risk management committee. However, Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Audit Committee has also reviewed the effectiveness of the Group's internal controls systems in light of key business and financial risks affecting its business.

Following the Disposal, the Company is focusing on its property investment in Japan through 2 asset managers, who assist the Company to manage the Company's properties in Japan. The asset managers each adopted their own code of conduct and business ethics which they must strictly comply with at all times as part of their corporate governance. They provide property management and accounting reports to the Company on a monthly basis. In addition, rental income received by the Company is subject to independent checks by several independent parties in Japan which are regulated by the Financial Services Agency in Japan. In this respect, the AC is of the view that the existing internal checks conducted by several independent parties in relation to the Company's properties in Japan are adequate and effective.

The Board has received assurances from the CEO and CFO for the period under review that, to the best of their knowledge:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal control systems are in place and effective.

Based on the internal controls established and maintained by the Group, work performed by the external auditors in the course of their statutory audit, reports issued by asset managers on monthly basis, internal checks conducted by the several independent parties in Japan over the rental income received from the Company's properties in Japan, assurances received from the CEO and CFO and reviews performed by the Management and various Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the systems of internal controls established addressing the financial, operational, compliance and information technology risks, and risk management systems of the Group are adequate and effective for FY2015 for the type and volume of business that the Group currently operates in.

### **PRINCIPLE 12 - AUDIT COMMITTEE**

The Audit Committee ("AC") comprises the following Independent Non-Executive Directors:

Mr Pao Kiew Tee	(Chairman)	(Independent Director)
Professor Tan Chin Tiong		(Independent Director)
Mr Leong Koon Weng		(Independent Director)

No former partner or Director of the Company's existing auditing firm is a member of the AC.

The Board is of the view that all the members of the AC are appropriately qualified to discharge their responsibilities. At least two members including Chairman of AC have the requisite accounting and related financial management expertise and experience.

The AC has written Terms of Reference endorsed by the Board, setting out its duties and responsibilities. The AC is authorised by the Board to investigate any matter within its Terms of Reference and has full access to, and cooperation of Management, with full discretion to invite any Director or key management personnel to attend its meetings. It has reasonable resources to enable it to discharge its functions properly. During the meetings of the AC held during the financial year, the AC performed its functions and responsibilities as set out in its Terms of Reference, which include the following:

- Reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditor;
- Reviewing the nature and extent of the external auditor's non-audit services to the Group, seeking to balance the maintenance of objectivity and value for money;
- Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
- Reviewing the adequacy of the Group's internal controls including financial, operational, compliance and information technology risks, and risk management systems of the Group (hereinafter referred to collectively as "internal controls") at least annually;
- Reviewing the adequacy and effectiveness of the Group's internal audit function, where applicable;
- Making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- Reviewing the external auditor's audit plan, audit report and the external auditor's evaluation of the system of internal accounting controls with the external auditor, as well as the assistance given by Management to the external auditor; and
- Reviewing the half-yearly and full-year financial reports of the Group, prior to their submission to the Board.



## CORPORATE GOVERNANCE REPORT

The amount of audit and non-audit fees paid/payable by the Company to RSM Chio Lim LLP for FY2015 amounts to S\$71,000 and S\$11,000 for tax-related services respectively.

The amount of audit and non-audit fees paid/payable by the Disposal Group to RSM Chio Lim LLP for FY2015 amounts to S\$20,500 and S\$4,500 for tax-related services respectively.

The AC has conducted an annual review of the volume and nature of all non-audit services of the Group provided by the external auditor, RSM Chio Lim LLP, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, is pleased to recommend to the Board that RSM Chio Lim LLP be nominated for re-appointment as external auditors of the Company at the forthcoming AGM to be held on 28 October 2015.

The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

The AC has met with the external auditors without the presence of the Company's Management in FY2015.

### **Whistle-blowing Policy**

Management has put in place, with the AC's endorsement, arrangements by which staff of the Group may, in confidence, contact the independent Company Secretary for any AC member's contact information, allowing any staff to raise concerns about possible improprieties in matters of financial reporting or other matters. The objective for such arrangements is to ensure independent investigation of matters raised and to allow appropriate actions to be taken. There were no whistle-blowing letters received during FY2015 and up to the date of this report.

### **PRINCIPLE 13 - INTERNAL AUDIT**

The Company had previously outsourced the internal audit function to BDO LLP for the Group's last 3-year internal audit plan which ended in FY2013. In FY2015, where appropriate and feasible for the Disposal Group, the Company focused on following up and implementing the recommendations of BDO LLP.

The Board has deliberated and agreed that given the size of the new business and current operations of the Company it does not warrant the Company having an in-house internal audit function or to appoint internal auditors. The asset managers for the Company's properties in Japan each adopted their own code of conduct and business ethics which they must strictly comply with at all times as part of their corporate governance. They provide property management and accounting reports to the Company on a monthly basis. In addition, rental income received by the Company is subject to independent checks by several independent parties in Japan which are regulated by the Financial Services Agency in Japan.

As part of the annual statutory audit of the financial statements, the external auditors also reports to the AC on any material weaknesses in the Group's internal controls and provide recommendation on other significant matters such as risk management which have come to their attention during the course of the audit.

### **PRINCIPLE 14 - SHAREHOLDER RIGHTS**

### **PRINCIPLE 15 - COMMUNICATION WITH SHAREHOLDERS**

The Company is aware of its obligations to shareholders in providing information regarding any changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares.

All shareholders are entitled to attend and vote at general meetings in person or by appointment of proxy(ies). The rules including the voting procedures are set out in the notice of general meetings. In accordance with the Articles of Association of the Company, shareholders may appoint one or two proxies to attend and vote at general meetings in their absence. The proxy forms must be deposited with the Company not less than forty-eight (48) hours before the time set for the general meetings. As it is logistically challenging to allow corporations providing nominee or custodial services to appoint more than two proxies, the Company has decided not to implement the same for the time being. CPF investors of the Company's securities may nevertheless attend shareholders' meetings as observers provided they have submitted their request to do so with their agent banks within a specified timeframe.

The Group believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible. The Group's officers promptly communicate with its shareholders and analysts whenever appropriate and attend to their queries or concerns. The Group's officers also manages the dissemination of corporate information to the media, public, institutional investors and public shareholders, and acts as a liaison point for such entities and parties.



## CORPORATE GOVERNANCE REPORT

The Company does not have any investor relations policy presently. The Company will consider appointing a professional investor relations officer to manage the function should the need arise. The Company does not practice selective disclosure. It has adopted a policy of making all necessary disclosures in public announcements via SGXNET and price-sensitive information is publicly released through timely announcements including a well-maintained and updated corporate website.

The Group believes in encouraging shareholder participation at general meetings which also acts as a platform to solicit and understand the views of shareholders.

The Company does not have a fixed dividend policy. The Company will not be paying any dividends to shareholders for FY2015 due to the challenging global business conditions and also to conserve cash for future use. This will enable the Group to make investments in the future for new business, mergers and acquisitions.

### PRINCIPLE 16 - CONDUCT OF SHAREHOLDER MEETINGS

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

At each AGM, the Board (including the chairpersons of the AC, NC and RC) encourages shareholders to participate in the question and answer session. The external auditor is also present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditors' report.

The minutes of the general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management are prepared and are available to shareholders upon written request.

Separate resolutions are tabled and passed at every general meeting on each distinct issue.

In support of greater transparency and to allow for a more efficient voting system, the Company will be introducing electronic poll voting instead of voting by show of hands at the forthcoming AGM and all future general meetings of the Company. The voting results of all votes cast in respect of each resolution and the respective percentages will be displayed instantaneously during the general meetings and announced via SGXNET after the general meetings.

### INTERESTED PERSONS TRANSACTIONS ("IPTs")

	Financial Year Ended 30 June 2015	
	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules) \$'000	Aggregate value of all IPTs conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than \$100,000) \$'000
Name of Interested Person		
Bay Cheow Guan David <sup>1</sup>	3,411	—

#### Note:

<sup>1</sup> This relates to the Disposal which was approved by shareholders of the Company on 18 June 2015 and completed on 29 June 2015.

No interested persons transactions mandate has been obtained from shareholders of the Company. Save as disclosed above, there were no other interested person transactions of \$100,000 and above entered into by the Group for FY2015.

### DEALINGS IN SECURITIES

The Company has complied with Rule 1204(19) of the Catalist Rules in relation to dealings in the Company's securities as it has adopted an internal guideline for its officers with regard to dealing with the Company's securities.



## CORPORATE GOVERNANCE REPORT

The Company issues electronic mails to its directors, key management personnel and employees that they must not trade in the shares of the Company commencing one month before the announcement of the Company's half year and year-end financial results and ending on the date of announcement of the results.

In addition, directors and all key management personnel are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are discouraged from dealing in the Company's securities on short term considerations or if they are in possession of unpublished price sensitive information.

### **MATERIAL CONTRACT**

There are no material contracts entered into by the Group involving the interests of any director or controlling shareholder, which are either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year, except for the Sale and Purchase Agreement entered into between the Company and Mr Bay Cheow Guan David, non-executive director of the Company in relation to the Disposal as an interested person transaction for which shareholders' approval was successfully obtained at an extraordinary general meeting on 18 June 2015 and completed the transaction on 29 June 2015.

### **NON-SPONSOR FEES**

The amount of non-sponsor fees paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2015 was approximately S\$1.15 million in relation to acting as placement agent for the 2014 Placement (as defined herein) and for financial advisory services rendered in relation to the acquisition of Richwood Asia I Investment Limited and One Room Mansion Limited (the "Acquisition").

### **USE OF PROCEEDS FROM PLACEMENTS**

- (a) The net proceeds from the placement which completed on 12 June 2014, was approximately S\$6.800 million ("June 2014 Placement"), out of which the amount utilised as at 2 October 2015 was approximately S\$6.072 million, as set out below:

Intended Use	Amount of Net Proceeds allocated S\$'000	Amount Utilised to date S\$'000	Amount Unutilised to date S\$'000
General working capital	680	–	680
Potential acquisitions and investments	6,120	6,072 <sup>1</sup>	48
<b>Total</b>	<b>6,800</b>	<b>6,072</b>	<b>728</b>

**Note:**

<sup>1</sup> Utilised to partially fund the consideration for the acquisition of five (5) investment properties via Richwood Asia I Investment Limited and One Room Mansion Limited.

The utilisation of proceeds from the June 2014 Placement is in accordance with its intended use.

- (b) The net proceeds from the placement completed on 18 November 2014 ("2014 Placement") was approximately S\$28.340 million, out of which the amount utilised as at 2 October 2015 was approximately S\$26.923 million, as set out below:

Intended Use	Amount of Net Proceeds allocated S\$'000	Amount Utilised to date S\$'000	Amount Unutilised to date S\$'000
General working capital	1,417	–	1,417
Potential acquisitions and investments pursuant to diversification	26,923	26,923 <sup>1</sup>	–
<b>Total</b>	<b>28,340</b>	<b>26,923</b>	<b>1,417</b>

**Note:**

<sup>1</sup> Utilised to partially fund the consideration for the Acquisition.

The utilisation of proceeds from the 2014 Placement is in accordance with its intended use.

## FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

The directors of the Company are pleased to present their report together with the audited financial statements of the Company and of the Group for the reporting year ended 30 June 2015.

Before 19 June 2015, the Company was known as Communication Design International Limited, which was changed to its present name.

### 1. DIRECTORS AT DATE OF REPORT

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

Lim Chuan Lam  
 Bay Cheow Guan David  
 Pao Kiew Tee  
 Professor Tan Chin Tiong  
 Ng Hong Whee  
 Leong Koon Weng (appointed on 29 October 2014)

### 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

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

### 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Holdings registered in the <u>name of director or nominee</u>		Holdings in which director is <u>deemed to have an interest</u>	
	At beginning of reporting year	At end of reporting year	At beginning of reporting year	At end of reporting year
<u>Imperium Crown Limited</u>				
Lim Chuan Lam	–	128,925,925	124,925,925	17,000,000
Bay Cheow Guan David	40,981,900	22,981,900	–	–
Professor Tan Chin Tiong	150,000	150,000	–	–

By virtue of section 7 of the Companies Act, Chapter 50, Lim Chuan Lam is deemed to have an interest in the Company and in all the related corporations of the Company.

The directors' interest as at 21 July 2015 were the same as those as at 30 June 2015.

During the reporting year, there were no convertible securities held by the directors.

### 4. CONTRACTUAL BENEFITS OF DIRECTORS

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

There were certain transactions (shown in Note 3 to the financial statements under related party transactions) with a corporation/corporations in which certain directors have an interest.



## DIRECTORS' REPORT

### 5. SHARE OPTIONS

The Imperium Crown Share Option Scheme (formerly known as CDI Employee Share Option Scheme) (the "Scheme") was approved by shareholders at an Extraordinary General Meeting of the Company held on 23 November 2005.

Under the Scheme, the Company may grant options to employees of the Group and executive and non-executive directors of the Company. Approval by the independent shareholders is required for any participant who is an associate of a controlling shareholder.

The Scheme will be administered by the Remuneration Committee in its sole and absolute discretion with such powers and duties as are conferred on it by the board of directors.

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

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

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

There were no employee share options granted since the commencement of the Scheme. Therefore, the provisions defined under Rules 852(1)(b), (c) and (d) of the Listing Manual (Section B: Rules of Catalist) are not applicable.

### 6. AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the date of this report are:

Pao Kiew Tee (Chairman of AC)  
 Professor Tan Chin Tiong (Independent and non-executive director)  
 Leong Koon Weng (Independent and non-executive director)

All members of the AC are non-executive directors and are independent.

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

- Reviewed the half yearly and annual financial statements and the independent auditor's report on the annual financial statements of the Company before their submission to the board of directors;
- Reviewed the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the external auditor;
- Met with the independent auditor, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the independent auditor;
- Reviewed the nature and extent of non-audit services provided by the independent auditor;
- Reviewed the scope and results of the audit;
- Reviewed actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual.

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

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



## DIRECTORS' REPORT

### 7. INDEPENDENT AUDITOR

The independent auditor, RSM Chio Lim LLP, has expressed willingness to accept re-appointment.

### 8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the company, work performed by the external auditor, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the Company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 30 June 2015.

### 9. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 26 August 2015, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

**Lim Chuan Lam**  
Director

**Bay Cheow Guan David**  
Director

22 September 2015



## STATEMENT BY DIRECTORS

In the opinion of the directors,

- (a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statement of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2015 and of the results, changes in equity and cash flows of the Group for the reporting year then ended; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

On behalf of the directors

**Lim Chuan Lam**  
Director

**Bay Cheow Guan David**  
Director

22 September 2015



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF IMPERIUM CROWN LIMITED

(Registration No: I99505053Z)

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Imperium Crown Limited (formerly known as Communication Design International Limited) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2015, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

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

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

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

### OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of the financial performance, changes in equity and cash flows of the Group for the reporting year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

**RSM Chio Lim LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

22 September 2015

Partner in charge of audit: Ho Chee Kong, Donald  
Effective from year ended 30 June 2015



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 30 June 2015

	Notes	Group 2015 \$'000	2014 \$'000
<b>Continuing operations</b>			
Revenue	5	1,734	–
Other income	6	77	2,388
Property operating expenses		(564)	–
Depreciation of property, plant and equipment	12	(111)	(120)
Other operating expenses	7	(3,077)	(1,978)
Finance costs	9	(313)	(40)
Net fair value gain on investment properties	13	19,204	–
<b>Profit before income tax</b>		<b>16,950</b>	<b>250</b>
Income tax expense	11	(4,438)	–
<b>Profit from continuing operations, net of tax</b>		<b>12,512</b>	<b>250</b>
<b>Discontinued operations</b>			
(Loss) / Profit from discontinued operations, net of tax	10	(534)	2,810
<b>Total profit, net of tax</b>		<b>11,978</b>	<b>3,060</b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign operations, net of tax	24	(88)	237
Other comprehensive income for the year, net of tax		(88)	237
<b>Total comprehensive profit</b>		<b>11,890</b>	<b>3,297</b>
<b>Earnings per share</b>			
Earnings per share currency unit		Cents	Cents
<b>Basic</b>			
Continuing operations	29	3.16	0.14
Discontinued operations		(0.13)	1.64
		<b>3.03</b>	<b>1.78</b>
<b>Diluted</b>			
Continuing operations	29	3.16	0.14
Discontinued operations		(0.13)	1.64
		<b>3.03</b>	<b>1.78</b>

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



## STATEMENTS OF FINANCIAL POSITION

As at 30 June 2015

		Group		Company	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	286	1,422	286	677
Investment properties	13	72,050	—	—	—
Long-term prepaid consumption tax		21	—	—	—
Intangible assets	14	—	1,274	—	—
Investments in subsidiaries	15	—	—	31,000	1,363
<b>Total non-current assets</b>		<b>72,357</b>	<b>2,696</b>	<b>31,286</b>	<b>2,040</b>
<b>Current assets</b>					
Other investments	16	—	—	—	—
Inventories	17	—	—	—	—
Trade and other receivables	18	31	4,287	25	28
Amount due from subsidiaries	19	—	—	872	2,439
Due from customers on contracts	20	—	513	—	—
Cash and cash equivalents	21	10,530	17,321	10,100	11,060
Restricted cash	22	3,003	—	—	—
<b>Total current assets</b>		<b>13,564</b>	<b>22,121</b>	<b>10,997</b>	<b>13,527</b>
<b>Total assets</b>		<b>85,921</b>	<b>24,817</b>	<b>42,283</b>	<b>15,567</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	23	47,815	19,456	47,815	19,456
Retained earnings / (accumulated losses)		8,693	(3,285)	(6,268)	(6,680)
Other reserves, total	24	108	196	—	—
<b>Total equity</b>		<b>56,616</b>	<b>16,367</b>	<b>41,547</b>	<b>12,776</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	11	4,801	29	—	—
Borrowings	25	15,913	—	—	—
Security deposit		1,208	—	—	—
Finance lease liabilities	26	—	150	—	150
<b>Total non-current liabilities</b>		<b>21,922</b>	<b>179</b>	<b>—</b>	<b>150</b>
<b>Current liabilities</b>					
Income tax payable		65	627	—	—
Trade and other payables	27	1,046	7,430	736	1,453
Amount due to subsidiaries	28	—	—	—	1,148
Borrowings	25	6,049	—	—	—
Finance lease liabilities	26	—	80	—	40
Deferred revenue		223	—	—	—
Due to customers on contracts	20	—	134	—	—
<b>Total current liabilities</b>		<b>7,383</b>	<b>8,271</b>	<b>736</b>	<b>2,641</b>
<b>Total liabilities</b>		<b>29,305</b>	<b>8,450</b>	<b>736</b>	<b>2,791</b>
<b>Total equity and liabilities</b>		<b>85,921</b>	<b>24,817</b>	<b>42,283</b>	<b>15,567</b>

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



## STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June 2015

	Total Equity \$'000	Share Capital \$'000	Retained Earnings / (Accumulated Losses) \$'000	Other Reserves \$'000
<b>GROUP</b>				
<b>Current Year:</b>				
Opening balance at 1 July 2014	16,367	19,456	(3,285)	196
<b>Movements in equity:</b>				
Issue of new shares (Note 23)	29,400	29,400	—	—
Share issue expenses (Note 23)	(1,041)	(1,041)	—	—
Total comprehensive income for the year	11,890	—	11,978	(88)
<b>Closing balance at 30 June 2015</b>	<b>56,616</b>	<b>47,815</b>	<b>8,693</b>	<b>108</b>
<b>Previous year:</b>				
Opening balance at 1 July 2013	2,797	9,183	(6,345)	(41)
<b>Movements in equity:</b>				
Issue of new shares (Note 23)	10,567	10,567	—	—
Share issue expenses (Note 23)	(294)	(294)	—	—
Total comprehensive income for the year	3,297	—	3,060	237
<b>Closing balance at 30 June 2014</b>	<b>16,367</b>	<b>19,456</b>	<b>(3,285)</b>	<b>196</b>

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



## CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 30 June 2015

	Group	
	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations	16,950	250
(Loss) / Profit before tax from discontinued operations	(167)	3,516
	<u>16,783</u>	<u>3,766</u>
Adjustments for:		
Amortisation of long-term prepaid consumption tax	6	–
Bad debts written-off	–	149
Depreciation of property, plant and equipment	111	226
Depreciation of investment properties	–	9
Property, plant and equipment written-off	–	81
Allowance for impairment loss on trade and other receivables	–	11
Interest income	(16)	(8)
Finance costs	313	40
Loss / (Gain) on disposal of property, plant and equipment	22	(1,069)
Gain on disposal of investment properties	–	(1,242)
Transfer of property, plant and equipment to director as remuneration	300	–
Net fair value gain on investment properties	(19,204)	–
Loss on disposal of discontinued operations	<u>2,587</u>	<u>–</u>
Operating cash flows before changes in working capital	902	1,963
Inventories	(1)	–
Trade and other receivables	1,382	(1,327)
Trade and other payables	(5,753)	1,925
Contract work-in-progress	<u>234</u>	<u>176</u>
<b>Net cash flows from operations</b>	<u>(3,236)</u>	<u>2,737</u>
Income taxes paid	<u>(436)</u>	<u>(512)</u>
<b>Net cash flows (used in) / from operating activities</b>	<u>(3,672)</u>	<u>2,225</u>
<b>Cash flows from investing activities</b>		
Acquisition of business	–	(407)
Acquisition of TK arrangements (Note 15)	(31,000)	–
Disposal of subsidiaries, net of cash disposed of (Note 10)	39	–
Interest received	16	13
Purchases of property, plant and equipment	(138)	(701)
Proceeds from sale of property, plant and equipment	96	1,645
Proceeds from sale of investment properties	–	1,733
<b>Net cash flows (used in) / from investing activities</b>	<u>(30,987)</u>	<u>2,283</u>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	–	983
Repayment of bank borrowings	(182)	(1,091)
Repayment of finance lease liabilities	(227)	(139)
Cash pledged for bank facilities	–	500
Proceeds from issuance of ordinary shares	29,400	10,567
Share issue expenses	(1,041)	(294)
Interest paid	(313)	(45)
Restricted cash	<u>189</u>	<u>–</u>
<b>Net cash flows from financing activities</b>	<u>27,826</u>	<u>10,481</u>



## CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Year Ended 30 June 2015

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	(6,833)	14,989
Cash and cash equivalents, consolidated statement of cash flows, beginning of financial year	17,321	2,137
Effects of currency translation on cash and cash equivalents	42	195
<b>Cash and cash equivalents, consolidated statement of cash flows, end of financial year (Note 21)</b>	<b>10,530</b>	<b>17,321</b>

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



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 1. GENERAL

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars.

Before 19 June 2015 the Company was known as Communication Design International Limited.

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

The principal activity of the Company is that of investments holding. It is listed on Catalist which is a market of the Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries are described in the notes to the financial statements.

The registered office is: 25 Bukit Batok Crescent #08-01 The Elitist, Singapore 658066. The Company is situated in Singapore.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Accounting convention

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

#### Basis of presentation

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

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

The Company's financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, no statement of profit or loss and other comprehensive income is presented for the Company.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Basis of preparation of the financial statements**

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

#### **Revenue recognition**

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates.

Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Dividend from equity instruments is recognised as income when the entity's right to receive dividend is established.

Interest income is recognised using the effective interest method.

#### **Employee benefits**

Contributions to a defined contribution retirement benefit plan 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 an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). 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 services that increases their entitlement to future compensated absences, and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

#### **Foreign currency transactions**

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions.

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



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Income tax

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

#### Translation of financial statements of other entities

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

#### Segment reporting

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

#### Borrowings

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

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

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.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Property, plant and equipment

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

Leasehold properties	-	2%
Renovations & furniture	-	16.7% - 50%
Office & other equipment	-	20% - 50%
Motor vehicles	-	20%
Exhibition equipment & showcases	-	20% - 50%

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

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

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

#### Investment property

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the fair value model is used to measure the investment property at fair value as of the end of the reporting year. A gain or loss arising from a change in the fair value of investment property is included in profit or loss for the reporting year in which it arises. The fair values are measured periodically on a systematic basis at least once yearly by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Leases

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

#### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity. An investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

#### Business combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the reporting year.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Impairment of non-financial assets

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

#### Cash and cash equivalents

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

#### Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. When the settlement date accounting is applied, any change in the fair value of the asset to be received during the period between the trade date and the settlement date is recognised in net profit or loss for assets classified as trading.

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



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Financial assets (cont'd)

Subsequent measurement:

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

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.
4. Available for sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

#### Financial liabilities

Initial recognition, measurement and derecognition:

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



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Financial liabilities (cont'd)

Subsequent measurement:

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

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

#### Classification of equity and liabilities

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

#### Fair value measurement

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



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Fair value measurement (cont'd)

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

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

#### Provisions

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

#### Critical judgements, assumptions and estimation uncertainties

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

##### (a) Income taxes

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the Note on income tax.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Critical judgements, assumptions and estimation uncertainties (cont'd)

##### (a) Income taxes (cont'd)

The deferred tax relating to an asset is dependent on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model for investment property or when fair value is required or permitted by a FRS for a non-financial asset. Management has taken the view that as there is no clear evidence that it will consume the relevant asset's economic benefits throughout its economic life, it has measured the deferred tax amount on the assumption that the carrying amount of the underlying asset will be recovered entirely by sale.

##### (b) Valuation of investment properties

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuers have used valuation methods which involve certain estimates.

The fair values are determined using the Income Approach, which includes the direct capitalisation method and discounted cash flow method. This approach involves the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The fair value amounts are disclosed in the Note on investment properties.

### 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

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

#### 3A. Related companies

As at 30 June 2014, the Company was a subsidiary of LPW Investments Pte Ltd, incorporated in Singapore. The Company's ultimate parent company was the same entity. The ultimate controlling party is Mr Lim Chuan Lam.

During 2015, all the ordinary shares held by LPW Investments Pte Ltd were transferred to Mr Lim Chuan Lam.

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

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as intercompany transactions and balances below.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

#### 3B. Other related parties

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

Significant related party transactions:

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	2015 \$'000	Group 2014 \$'000
Sale of goods/services		
- Geo Creative LLC <sup>(1)</sup>	–	326
Cost of projects and reimbursement		
- Geo Creative LLC <sup>(1)</sup>	–	(201)

**Note:**

<sup>(1)</sup> Geo Creative LLC is 60% owned by Mr Bay Cheow Guan David, who is currently the Company's non-executive director. He has significant influence over the entity.

During 2014, the Company purchased a motor vehicle to be used by Mr Bay Cheow Guan David for the performance of his duties as President and CEO at that time. The Company was the beneficial owner of the motor vehicle and Mr Bay Cheow Guan David held it in trust. The purchase consideration for the motor vehicle was \$480,488, of which \$400,000 was borne by the Company via cash and a finance lease facility. The balance of the purchase consideration was borne by Mr Bay Cheow Guan David.

During 2015, the motor vehicle was disposed and transferred to Mr Bay Cheow Guan David as remuneration at the net book value of \$300,000 when the fair value was \$391,000.

#### 3C. Key management compensation

	2015 \$'000	Group 2014 \$'000
Salaries and other short-term employee benefits	2,450	1,925

The above amounts are included under employee benefits expense of both continuing and discontinued operations. Key management compensation relating to discontinued operations amount to \$875,000 (2014: \$870,000). Included in the above amounts are the following items:

	2015 \$'000	Group 2014 \$'000
Remuneration of directors of the Company	1,318	877
Fees to directors of the Company	197	121

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



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

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

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

For management purposes, the Group is organised into one strategic operating segment that offers products and services i.e. Property development and property investment (2014: Outsourcing marketing services). Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information. They are managed separately because each business requires different strategies.

The discontinued operations relate to the disposal of the outsourced marketing services segment (Note 10). The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprise of earnings from operations before depreciation and amortisation, interests and income taxes (called "Recurring EBITDA").

#### 4B. Profit or loss from continuing operations and reconciliations

	Property Development and Property Investment \$'000	Outsourcing Marketing Services ("Discontinued operations") \$'000	Unallocated Segment \$'000	Adjustment and Eliminations \$'000	Group \$'000
<b>2015</b>					
<b>Revenue by Segment</b>					
Total revenue by segment					
Sales to external customers	1,734	27,098	–	(27,098)	1,734
Recurring EBITDA	1,170	7,419	–	(7,419)	1,170
Other income	–	249	77	(249)	77
Depreciation	–	–	(111)	–	(111)
Finance costs	(298)	(22)	(15)	22	(313)
Unallocated corporate costs	–	(5,226)	(3,077)	5,226	(3,077)
Loss of disposal of discontinued operations	–	(2,587)	–	2,587	–
Fair value gain on investment properties	19,204	–	–	–	19,204
Profit/(loss) before income tax	20,076	(167)	(3,126)	167	16,950
Income tax (expense)/credit	(4,866)	(367)	428	367	(4,438)
Profit/(loss) after income tax	15,210	(534)	(2,698)	534	12,512

#### 2014

#### Revenue by Segment

Total revenue by segment		
Sales to external customers	26,575	26,575
Recurring EBITDA	7,734	7,734
Other income		2,457
Unallocated corporate costs		(6,380)
Finance costs		(45)
Profit before income tax from continuing operations		3,766
Income tax expense		(706)
Profit from continuing operations		3,060

Unallocated corporate costs comprise primarily of corporate office expenses which cannot be attributed meaningfully to any particular segment.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

#### 4C. Assets and reconciliations

	Property Development and Property Investment \$'000	Outsourcing Marketing Services ("Discontinued operations") \$'000	Unallocated Segment \$'000	Group \$'000
<b>2015</b>				
Total assets for reportable segments				
- Investment properties	72,050	—	—	72,050
- Restricted cash	3,003	—	—	3,003
- Others	—	—	10,868	10,868
<b>Total Group assets</b>				<b>85,921</b>
<b>2014</b>				
Total assets for reportable segments	—	24,817	—	24,817
<b>Total Group assets</b>				<b>24,817</b>

Segment assets for 2014 consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables, advances to suppliers, cash and cash equivalents and gross amounts due from customers for contract work.

#### 4D. Liabilities and reconciliations

	Property Development and Property Investment \$'000	Outsourcing Marketing Services ("Discontinued operations") \$'000	Unallocated Segment \$'000	Group \$'000
<b>2015</b>				
Total liabilities for reportable segments				
- Borrowings	21,962	—	—	21,962
- Security deposit	1,208	—	—	1,208
- Deferred revenue	223	—	—	223
- Deferred tax liabilities	4,801	—	—	4,801
- Others	—	—	1,111	1,111
<b>Total Group liabilities</b>				<b>29,305</b>
<b>2014</b>				
Total liabilities for reportable segments	—	8,450	—	8,450
<b>Total Group liabilities</b>				<b>8,450</b>

Segment liabilities for 2014 comprise operating liabilities and include items such as accrued operating expenses, trade and other payables, amounts due to related parties, bank borrowings, and finance lease liabilities.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

#### 4E. Other material items and reconciliations

	Property Development and Property Investment \$'000	Outsourcing Marketing Services ("Discontinued operations") \$'000	Unallocated Segment \$'000	Group \$'000
<b>2015</b>				
Impairment of assets	—	—	—	—
Expenditure for non-current assets	31,000	145	138	31,283
Net fair value gain on investment properties	19,204	—	—	19,204
Depreciation of property, plant and equipment	—	186	111	297
<b>2014</b>				
Impairment of assets	—	11	—	11
Expenditure for non-current assets	—	955	—	955
Depreciation of property, plant and equipment	—	226	—	226

#### 4F. Geographical information

	Group	
	2015 \$'000	2014 \$'000
<b>Revenue</b>		
Continuing operations		
- Japan	1,734	—
Discontinued operations		
- Singapore	4,751	4,585
- United Kingdom	14,964	20,232
- United States of America	7,383	1,709
- Others	—	49
	<b>28,832</b>	<b>26,575</b>
<b>Total consolidated assets</b>		
Continuing operations		
- Japan	75,510	—
- Singapore	10,411	—
Discontinued operations		
- Singapore	—	14,576
- People's Republic of China	—	155
- United Kingdom	—	9,046
- United States of America	—	1,014
- Others	—	26
	<b>85,921</b>	<b>24,817</b>

Revenues are attributed to countries on the basis of the customer's location. The total assets are analysed by the geographical area in which the assets are located.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

#### 4G. Information about major customers

In 2015, the Group's continuing operations comprise of investment properties which are primarily used for residential and commercial related purposes and are located in Japan.

	Group	
	2015 \$'000	2014 \$'000
Top 1 customer	193	—
Top 2 customers	332	—
Top 3 customers	462	—

### 5. REVENUE

	Group	
	2015 \$'000	2014 \$'000
Rental income from properties	1,734	—

### 6. OTHER INCOME

	Group	
	2015 \$'000	2014 \$'000
Bank interest income	16	7
Rental income from investment properties	—	70
Gain on disposal of investment properties	—	1,242
Gain on disposal of property, plant and equipment	—	1,069
Others	61	—
Total other income	77	2,388

### 7. OTHER OPERATING EXPENSES

The following items have been included in arriving at other operating expenses from continuing operations:

	Group	
	2015 \$'000	2014 \$'000
Audit fees to the independent auditors of the Company	71	64
Non-audit fees to the independent auditors of the Company	11	4
Audit fees to the independent auditors of the subsidiaries	24	—
Legal and professional fees	772	408
Loss on disposal of property, plant and equipment	22	—
Property, plant and equipment written-off	—	81



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 8. EMPLOYEE BENEFIT EXPENSES

	Group	
	2015	2014
	\$'000	\$'000
Wages and salaries	767	957
Contributions to defined contribution plan	28	19
Severance payment	400	–
Transfer of property, plant and equipment to director as remuneration (Note 12)	300	–
Directors' fee	197	121
Others	2	10
Total employee benefits expense included in other operating expenses from continuing operations	1,694	1,107

### 9. FINANCE COSTS

	Group	
	2015	2014
	\$'000	\$'000
Interest expenses on:		
- finance leases	13	9
- bank borrowings	298	28
Others	2	3
Total finance costs	313	40

### 10. DISPOSAL OF DISCONTINUED OPERATIONS

On 18 June 2015, the Company had successfully obtained Shareholders' approval for the disposal of the Company's entire outsourced marketing and communication business ("Discontinued Operations") to the Company's non-executive director, Mr. Bay Cheow Guan David for \$3,411,779 ("Disposal"). On 29 June 2015 the sale was completed. On this date control of the following subsidiaries passed to the acquirer.

- (i) CDI Holding Pte Ltd;
- (ii) Communication Design International (Singapore) Pte Ltd;
- (iii) Clements & Street Limited;
- (iv) CDI North Asia Ltd;
- (v) CDI Shanghai Qihua Zixun;
- (vi) CDI Solutions (India) Private Limited;
- (vii) CDI USA, Inc; and
- (viii) CDI Production Sdn Bhd.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 10. DISPOSAL OF DISCONTINUED OPERATIONS (CONT'D)

The results for the reporting year from the discontinued operations and the results for the previous reporting year and for the period from the beginning of the reporting year to 29 June 2015, which have been included in the consolidated financial statements, were as follows:

	<b>Group</b>	
	<b>Period ended</b>	<b>Year ended</b>
	<b>29/06/2015</b>	<b>30/06/2014</b>
	\$'000	\$'000
Revenue	27,098	26,575
Expenses	(24,678)	(23,059)
Loss on disposal of discontinued operations	(2,587)	–
(Loss) / profit before income tax	(167)	3,516
Income tax expense	(367)	(706)
Total (loss) / profit on discontinued operations, net of tax	(534)	2,810

The following table is a summary of the carrying value of the account balances of the discontinued operations that were sold on 29 June 2015:

	<b>Group</b>
	<b>At date of</b>
	<b>disposal in</b>
	<b>2015</b>
	\$'000
<u>Carrying amounts of assets and liabilities disposed of</u>	
Property, plant and equipment (Note 12)	710
Cash and cash equivalents	3,372
Trade and other receivables	4,617
Allowance for impairment of receivables (Note 18)	(11)
Inventories	1
Due from customers on contracts	226
Goodwill (Note 14)	1,305
Total assets	10,220
Trade and other payables	(3,978)
Due to customers on contracts	(81)
Finance lease liabilities	(3)
Income tax payable	(92)
Deferred tax liabilities	(68)
Total liabilities	(4,222)
Net asset disposed of	5,998



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 10. DISPOSAL OF DISCONTINUED OPERATIONS (CONT'D)

The aggregate cash inflows arising from the disposal of the entire outsourced marketing and communication business were:

	<b>Group</b> <b>At date of</b> <b>disposal in</b> <b>2015</b> <b>\$'000</b>
Net assets disposed of (as above)	5,998
Loss on disposal of discontinued operations	(2,587)
Cash proceeds from disposal	3,411
Less: cash and cash equivalents in subsidiaries disposed of (as above)	(3,372)
Net cash inflow on disposal	<u>39</u>

### 11. INCOME TAX

#### 11A. Components of tax expense (income) recognised in profit or loss include:

	<b>2015</b> <b>\$'000</b>	<b>Group</b> <b>2014</b> <b>\$'000</b>
Current income tax – continuing operations		
- Current income taxation	65	–
- Overprovision in respect of previous years	(428)	–
	<u>(363)</u>	<u>–</u>
Deferred income tax – continuing operations		
- Origination and reversal of temporary differences	4,801	–
Income tax attributable to continuing operations	<u>4,438</u>	<u>–</u>
Income tax attributable to discontinued operations (Note 10)	367	706
Income tax recognised in profit or loss	<u>4,805</u>	<u>706</u>

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

	<b>2015</b> <b>\$'000</b>	<b>Group</b> <b>2014</b> <b>\$'000</b>
Profit before tax from continuing operations	16,950	250
(Loss)/Profit before tax from discontinued operations (Note 10)	(167)	3,516
Accounting profit before tax	<u>16,783</u>	<u>3,766</u>
Tax calculated at tax rate of 17% (2014: 17%)	2,853	640
Effects of:		
- Non-deductible expenses	1,118	132
- Income not subject to tax	(800)	(378)
- Effect of different tax rates in different countries	1,441	120
- Deferred tax assets not recognised	621	207
- Overprovision in respect of previous years	(428)	–
- Others	–	(15)
Income tax recognised in profit or loss	<u>4,805</u>	<u>706</u>



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### II. INCOME TAX (CONT'D)

#### II B. Deferred tax expense recognised in profit or loss include:

	Group	
	2015	2014
	\$'000	\$'000
Excess of net book value of investment properties over tax values	(4,801)	–
Excess of net book value of plant and equipment over tax values	–	(3)
Tax loss carryforwards	621	539
Deferred tax asset not recognised	(621)	(539)
Total deferred tax expense recognised in profit or loss	(4,801)	(3)

#### II C. Deferred tax balance in the consolidated statement of financial position:

	Group	
	2015	2014
	\$'000	\$'000
<u>Deferred tax liabilities recognised in profit or loss</u>		
Excess of net book value of investment properties over tax values	(4,801)	(29)
Tax loss carryforwards	825	204
Deferred tax asset not recognised	(825)	(204)
Net balance	(4,801)	(29)

The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

Deferred tax liabilities of \$29,000 during the year ended 30 June 2014 is attributable to discontinued operations and have been disposed off as at 30 June 2015. As at 30 June 2014, tax loss carryforwards amounting of \$743,000 from previous years are not claimable as there was a substantial change in shareholders during the year.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Properties \$'000	Renovations & Furniture \$'000	Office and Other Equipment \$'000	Motor Vehicles \$'000	Exhibition Equipment & Showcases \$'000	Total \$'000
<b>GROUP</b>						
<b>Cost</b>						
Balance at 1 July 2013	991	371	894	190	114	2,560
Additions	–	36	290	400	175	901
Acquisition of business	–	–	54	–	–	54
Disposal	(633)	–	(41)	(190)	(69)	(933)
Written-off	–	(333)	(85)	–	–	(418)
Currency translation differences	–	1	68	–	–	69
At 30 June 2014	358	75	1,180	400	220	2,233
Additions	–	3	123	138	19	283
Disposal	–	–	(4)	(138)	–	(142)
Written-off	–	(21)	(11)	–	(46)	(78)
Disposal of subsidiaries (Note 10)	–	(25)	(1,200)	–	(208)	(1,433)
Transfer (a)	–	–	–	(400)	–	(400)
Currency translation differences	–	6	12	–	15	33
At 30 June 2015	358	38	100	–	–	496
<b>Accumulated Depreciation</b>						
Balance at 1 July 2013	211	264	586	117	83	1,261
Depreciation for the year	17	35	110	48	16	226
Disposal	(150)	–	(40)	(146)	(43)	(379)
Written-off	–	(253)	(84)	–	–	(337)
Currency translation differences	–	(1)	41	–	–	40
At 30 June 2014	78	45	613	19	56	811
Depreciation for the year – continuing operations	7	3	–	101	–	111
Depreciation for the year – discontinued operations	–	6	149	–	31	186
Disposal	–	–	(1)	(20)	–	(21)
Written-off	–	(21)	(11)	–	(46)	(78)
Disposal of subsidiaries (Note 10)	–	(7)	(674)	–	(42)	(723)
Transfer (a)	–	–	–	(100)	–	(100)
Currency translation differences	–	(1)	24	–	1	24
At 30 June 2015	85	25	100	–	–	210
<b>Net Book Value</b>						
At 1 July 2013	780	107	308	73	31	1,299
At 30 June 2014	280	30	567	381	164	1,422
At 30 June 2015	273	13	–	–	–	286



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold Properties \$'000	Renovations & Furniture \$'000	Office and Other Equipment \$'000	Motor Vehicles \$'000	Exhibition Equipment & Showcases \$'000	Total \$'000
<b>COMPANY</b>						
<b>Cost</b>						
Balance at 1 July 2013	991	371	200	190	114	1,866
Additions	—	17	—	400	—	417
Disposal	(633)	—	—	(190)	(68)	( 891)
Written-off	—	(329)	(89)	—	—	( 418)
At 30 June 2014	358	59	111	400	46	974
Additions	—	—	—	138	—	138
Disposal	—	—	—	(138)	—	(138)
Written-off	—	(21)	(11)	—	(46)	(78)
Transfer (a)	—	—	—	(400)	—	(400)
At 30 June 2015	358	38	100	—	—	496
<b>Accumulated Depreciation</b>						
Balance at 1 July 2013	211	264	188	117	83	863
Depreciation for the year	17	33	7	48	6	111
Disposal	(150)	—	—	(146)	(43)	( 339)
Written-off	—	(254)	(84)	—	—	( 338)
At 30 June 2014	78	43	111	19	46	297
Depreciation for the year	7	3	—	101	—	111
Disposal	—	—	—	(20)	—	(20)
Written-off	—	(21)	(11)	—	(46)	(78)
Transfer (a)	—	—	—	(100)	—	(100)
At 30 June 2015	85	25	100	—	—	210
<b>Net Book Value</b>						
At 1 July 2013	780	107	12	73	31	1,003
At 30 June 2014	280	16	—	381	—	677
At 30 June 2015	273	13	—	—	—	286

As at 30 June 2015, the carrying value of motor vehicles held under finance lease is nil (2014:\$381,000) for the Company.

As at 30 June 2014, a motor vehicle with net book value of \$381,000 was held in trust by a director of the Company.

Leasehold property with net book value amounting to \$273,000 (2014: \$280,000) is mortgaged to a finance company (Note 25).

- (a) During 2015, the motor vehicle was transferred to Mr Bay Cheow Guan David as remuneration with net book value of \$300,000 (Note 3).



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 13. INVESTMENT PROPERTIES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Cost</b>				
At beginning of the year	–	642	–	642
Additions (Note 15)	53,113	–	–	–
Disposal	–	(642)	–	(642)
Currency translation differences	(267)	–	–	–
Increase in fair value recognised in profit or loss	19,204	–	–	–
At end of the year	72,050	–	–	–
<b>Accumulated Depreciation</b>				
At beginning of the year	–	142	–	142
Depreciation charge	–	9	–	9
Disposal	–	(151)	–	(151)
At end of the year	–	–	–	–
<b>Net Book Value</b>				
At beginning of the year	–	500	–	500
At end of the year	72,050	–	–	–
The following amounts are recognised in profit or loss:				
Rental income	1,734	70	–	70
Operating expenses arising from investment properties that generated rental income	(564)	(15)	–	(15)

During 2015, the Company, through One Room Mansion Limited and Richwood Asia I Investment Limited, invested in the properties by entering into Japanese tokumei kumiai arrangements ("TK arrangements") as a tokumei investor ("TK investor") with Japanese limited liability companies known as tokumei kumiai operators ("TK operators"), which are the property holding companies. Such TK arrangement is a common method of investing and holding real estates in Japan. The relationship between the TK operators and TK investors is governed by tokumei kumiai agreements ("TK agreements"), whereby the TK investors provide funds to the TK operators in return for income derived from the investments properties held by the TK operators ("the TK business").

As of 30 June 2015, the Company, through One Room Mansion Limited and Richwood Asia I Investment respectively, had entered into TK agreements with 2 Japanese TK operators, being Godo Kaisha Three Line and Godo Kaisha Halekulani (Note 15).

The Company acquired these investment properties for consideration of \$31,000,000 on 6 January 2015. The fair value of these investment properties were \$72,050,000 (equivalent of JPY 6,550,000,000) and \$72,050,000 (equivalent of JPY 6,550,000,000) at the acquisition date and 30 June 2015 respectively.

The fair value of each investment property was measured in June 2015 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by Colliers International, a firm of independent professional valuers on a systematic basis at least once yearly. The firm hold a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the year. Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets. Bank borrowings are secured by the investment properties of the Group with fair value amounts of \$72,050,000 (2014: Nil) (Note 25).



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 13. INVESTMENT PROPERTIES (CONT'D)

For the year ended 30 June 2014, investment properties were recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Details of the Group's investment properties as at 30 June 2015 are as follows:

Location	Description/ Land area	Tenure of land/ Last valuation date
Japan:		
A) Hatchobori Place, Chuo-ku, Tokyo	Office building (579.98 sq m)	Freehold Revalued 2015
B) Green Forest Itabashi, Itabashi-ku, Tokyo	Retail cum residential building (1,213.52 sq m)	Leasehold interest in land & freehold interest in building Revalued 2015
C) Green Forest Kuramae, Taito-ku, Tokyo	Residential (707.42 sq m)	Freehold Revalued 2015

Investment properties are leased to non-related parties under operating leases.

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and information about the significant unobservable inputs used in the fair value measurement are as follows:

Asset	Investment property at Hatchobori Place, Chuo-ku, Tokyo
Fair Value \$'000 and fair value hierarchy – Level:	\$25,300 (2014: \$Nil). Level 3 (2014: Nil).
Valuation technique for recurring fair value measurements:	Discounted cash flow method/ Direct capitalisation method
Significant unobservable inputs and range (weighted average):	Capitalisation rate: 3.5% (2014: Nil) Terminal capitalisation rate: 3.6% (2014: Nil) Discount rate: 3.3% (2014: Nil)
Relationship of unobservable inputs to fair value:	Favourable (adverse) changes in discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows will increase (decrease) fair value.
Sensitivity on management's estimates:	A hypothetical 10% increase or decrease in the rental income would have an effect on profit before tax of – higher by \$59,600; lower by \$59,600.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 13. INVESTMENT PROPERTIES (CONT'D)

Asset	Green Forest Itabashi, Itabashi-ku, Tokyo
Fair Value \$'000 and fair value hierarchy – Level:	\$23,870 (2014: \$Nil). Level 3 (2014: Nil).
Valuation technique for recurring fair value measurements:	Discounted cash flow method/ Direct capitalisation method
Significant unobservable inputs and range (weighted average):	Capitalisation rate: 3.9% (2014: Nil) Terminal capitalisation rate: 4.0% (2014: Nil) Discount rate: 3.7% (2014: Nil)
Relationship of unobservable inputs to fair value:	Favourable (adverse) changes in discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows will increase (decrease) fair value.
Sensitivity on management's estimates:	A hypothetical 10% increase or decrease in the rental income would have an effect on profit before tax of – higher by \$61,100; lower by \$61,100.
Asset	Green Forest Kuramae, Taito-ku, Tokyo
Fair Value \$'000 and fair value hierarchy – Level:	\$22,880 (2014: \$Nil). Level 3 (2014: Nil).
Valuation technique for recurring fair value measurements:	Discounted cash flow method/ Direct capitalisation method
Significant unobservable inputs and range (weighted average):	Capitalisation rate: 3.7% (2014: Nil) Terminal capitalisation rate: 3.8% (2014: Nil) Discount rate: 3.5% (2014: Nil)
Relationship of unobservable inputs to fair value:	Favourable (adverse) changes in discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows will increase (decrease) fair value.
Sensitivity on management's estimates:	A hypothetical 10% increase or decrease in the rental income would have an effect on profit before tax of – higher by \$52,700; lower by \$52,700.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 14. INTANGIBLE ASSETS

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Goodwill arising on consolidation	–	1,274	–	–
			Group	
			2015	2014
			\$'000	\$'000
<b>Cost:</b>				
At beginning of the year			1,274	927
Acquisition of business			–	353
Elimination on disposal of subsidiaries (Note 10)			(1,305)	–
Currency translation differences			31	(6)
At end of the year			–	1,274
<b>Accumulated impairment:</b>				
At beginning of the year			–	–
At end of the year			–	–
<b>Net book value at end of the year</b>			–	1,274

At 30 June 2014, goodwill relates to Clements and Street Limited which was acquired in 2010 and the acquisition of selected business assets and undertakings from Geo Creative LLC, through a newly incorporated subsidiary, CDI USA, Inc incorporated in the United States of America during the year.

The value in use was measured by management. The key assumptions for the value in use calculations were as follows. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed and is analysed as follows:

Asset or CGU – Goodwill

Valuation technique and unobservable inputs

Discounted cash flow method:	2015	2014
Estimated discount rates	–	18%
Growth rates	–	5%
Gross margin	–	25%
Cash flow forecasts approved by management	–	5 years

Key assumptions used for discounted cash flow calculations:

	CDI USA, Inc		Clements and Street Limited	
	2015	2014	2015	2014
Gross margin <sup>1</sup>	–	25%	–	25%
Growth rate <sup>2</sup>	–	5%	–	5%
Discount rate <sup>3</sup>	–	18%	–	18%

<sup>1</sup> Budgeted gross margin

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period

<sup>3</sup> Pre-tax discount rate applied to the pre-tax cash flow projections



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015	2014
	\$'000	\$'000
Movements during the year:		
At beginning of the year	1,363	1,368
Acquisition of new TK arrangements	31,000	–
Disposals (Note 10)	(1,169)	–
Investments transferred to subsidiaries	–	(5)
Allowance for impairment	(194)	–
Total	31,000	1,363
Total cost comprising:		
Unquoted equity shares at cost	31,194	1,425
Less: allowance for impairment	(194)	(62)
Total	31,000	1,363
Analysis of the above cost denominated in non-functional currency:		
Dirham	–	62
GBP	–	1,169
China RMB	–	194
Movements in allowance for impairment:		
Balance at beginning of the year	62	62
Impairment allowance made	194	–
Impairment allowance utilised	(62)	–
Balance at end of the year	194	62

(a) For the financial year ended 30 June 2015

On 23 December 2014, the Company had successfully obtained Shareholders' approval for the diversification into the business of property development and property investment. The properties are held by Richwood Asia I Investments Limited and One Room Mansion Limited ("Acquisition"). On 6 January 2015, the Company had successfully completed the Acquisition for an aggregate cash consideration of \$31,000,000.

Details of the Acquisition are as follows:

	\$'000
Cash paid for the properties	31,000
Identifiable assets acquired and liabilities assumed	\$'000
Trade and other receivables	25
Allowance for doubtful receivables (Note 18)	(3)
Long term prepaid consumption tax	27
Investment properties (Note 13)	53,113
Borrowings less restricted cash	(19,119)
Payables and security deposits	(3,043)
Total identifiable net assets	31,000



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) For the financial year ended 30 June 2014

During 2014, the Group established a wholly owned subsidiary, CDI USA, Inc in the United States of America with a paid-up capital of \$251,000.

On 8 January 2014, CDI USA, Inc entered into a sale and purchase agreement with Geo Creative LLC to acquire its selected business assets and undertakings, including various projects and contracts, lists of customers, contractors and sub-contractors, office furniture, shop tools and equipment and to take over the key management and the employees for a cash consideration of \$407,000. Geo Creative LLC is 60% owned by Mr Bay Cheow Guan David. The acquisition was completed on 17 January 2014.

The fair value of identifiable net assets at the date of acquisition amounted to \$54,000, resulting in goodwill on acquisition of \$353,000. The goodwill was attributable to the increase in the Group's clientele and the ability to expand the Group's business to service its existing customers within a short time frame.

The Company had the following subsidiaries as at 30 June 2015 and 2014:

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Note	Cost in Books of Company		Effective Percentage of Equity Held	
		2015 \$'000	2014 \$'000	2015 %	2014 %
<u>Subsidiaries</u>					
<u>Held by the Company</u>					
One Room Mansion Limited (Cayman Island) Investment holding	(a)	14,791	—	100	—
<i>Held by One Room Mansion Limited:</i>					
Godo Kaisha Threeline – TK Operator (Japan) Special purpose entity – real estate agent	(a)	—*	—	100	—
Richwood Asia I Investment Limited (British Virgin Islands) Investment holding	(a)	16,209	—	100	—
<i>Held by Richwood Asia I Investment Limited:</i>					
Godo Kaisha Halekulani – TK Operator (Japan) Special purpose entity – real estate agent	(a)	—*	—	100	—
CDI Holding Pte Ltd (Singapore) Investment holding	(b)	—	—*	—	100
CDI Ltd Contracting LLC (United Arab Emirates) Business of exhibitions and retail rollouts	(c)	—	62	—	100



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Note	Cost in Books of Company		Effective Percentage of Equity Held	
		2015 \$'000	2014 \$'000	2015 %	2014 %
Clements and Street Limited (United Kingdom) International exhibition contractors	(b)	—	1,169	—	100
CDI (Shanghai) Trading Company Limited (People's Republic of China) Business of design and construction of interior furnishings and organising exhibitions	(d)	—	194	100	100
CDI Energy Resources Pte Ltd (Singapore) Coal trading business	(e)	—	—*	100	100
		<u>31,000</u>	<u>1,425</u>		

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Note	Cost in Books of Subsidiary		Effective Percentage of Equity Held	
		2015 \$'000	2014 \$'000	2015 %	2014 %

#### Held by subsidiaries

#### **CDI Holding Pte Ltd:**

Communication Design International (Singapore) Pte Ltd (Singapore) Business of retail rollouts, contractors and manufacturers	(b)	—	300	—	100
CDI North Asia Ltd (British Virgin Islands) Investment holding	(b)	—	2	—	100
CDI Solutions (India) Private Limited (India) Business of design and interior solutions	(b)	—	3	—	100
CDI USA, Inc (United States of America) Provision of design strategy, engineering, manufacturing and complete implementation for exhibit programs, brand events, retail and commercial fit-outs	(b)	—	251	—	100



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Note	Cost in Books of Subsidiary		Effective Percentage of Equity Held	
		2015 \$'000	2014 \$'000	2015 %	2014 %
CDI Production Sdn Bhd (Malaysia) Exhibition stand and retail fit-out contractor and manufacturer	(b)	—	—*	—	100
<b>CDI North Asia Ltd:</b> CDI Shanghai Qihua Zixun Co Ltd (People's Republic of China) Business of design and construction of interior furnishings and organising exhibitions	(b)	—	238	—	100

**Notes:**

\* Denotes cost of investment of less than \$1,000.

- (a) In 2015, the Company had entered into TK arrangement. Not required to be audited under the laws of the country of incorporation. Godo Kaisha Threeline and Godo Kaisha Halekulani were audited by RSM Seiwa, Japan for consolidation purpose.
- (b) Disposed to non-executive director of the Company, Bay Cheow Guan David during the financial year (Note 10).
- (c) Deregistered during the financial year.
- (d) Voluntarily wound up on 29 July 2015.
- (e) Deregistered on 14 August 2015.

### 16. OTHER INVESTMENTS

	Group & Company	
	2015 \$'000	2014 \$'000
Available-for-sale unquoted equity shares at cost	—	396
Allowance for impairment	—	(396)
At end of the year	—	—
Movements in allowance for impairment:		
Balance at beginning of the year	396	396
Allowance written off/used	(396)	—
Balance at end of the year	—	396

CDI Europe GmbH was reclassified from an associate to an investment in unquoted equity shares in 2011 as management had concluded the loss of the Company's ability to exert influence over the said entity. The amount is fully impaired. The investment was subsequently disposed off after the end of reporting year to CDI Holding Pte Ltd (Note 33).



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 17. INVENTORIES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Finished goods at cost	–	112	–	112
Allowance for impairment	–	(112)	–	(112)
At end of the year	–	–	–	–

Movements in allowance:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the year	112	114	–	114
Amount written-off	–	(2)	–	(2)
Disposal of subsidiaries	(112)	–	–	–
Balance at end of the year	–	112	–	112

### 18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<u>Trade receivables</u>				
Outside parties	37	4,427	28	350
Related parties (Note 3)	–	20	–	8
Less: Allowance for impairment of trade receivables (outside parties)	(31)	(357)	(28)	(346)
	6	4,090	–	12
<u>Other assets</u>				
Deposits	8	9	8	1
Prepayments	10	188	10	15
Others	7	–	7	–
	25	197	25	16
Total trade and other receivables	31	4,287	25	28

Movement in allowance for impairment of trade receivables:

At beginning of the year	357	346	346	346
Allowance made	–	11	–	–
Written-off/ used	(318)	–	(318)	–
Acquisition (Note 15)	3	–	–	–
Disposal of subsidiaries (Note 10)	(11)	–	–	–
At end of the year	31	357	28	346



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 19. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2015	2014
	\$'000	\$'000
Nature:		
Trade	—	608
Non-trade	872	1,831
Total amount due from subsidiaries	872	2,439

At 30 June 2015, the amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing and repayable upon demand.

### 20. CONTRACTS WORK-IN-PROGRESS

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Aggregate contract costs incurred and profits recognised (less losses recognised) to date on uncompleted contracts	—	504	—	—
Less: Progress billings	—	(125)	—	—
	—	379	—	—
Analysed as:				
Due from customers on contracts	—	513	—	—
Due to customers on contracts	—	(134)	—	—
	—	379	—	—
Advances received on contracts (Note 27)	—	3,314	—	31

### 21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	6,528	17,321	6,098	11,060
Fixed deposit with bank	4,002	—	4,002	—
	10,530	17,321	10,100	11,060

The interest bearing balances are not significant.

### 22. RESTRICTED CASH

Restricted cash pertains to trust account reserves and lender's account reserves, which are required to be maintained based on the agreements with the banks providing the loans. Restricted cash are restricted for use in specific operating expenses, capital expenditure and tenant deposit and the bank's approval is required for the utilisation of such restricted cash.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 23. SHARE CAPITAL

	Number of ordinary shares issued In '000	Share capital \$'000
<b>2015</b>		
At beginning of the year	245,000	19,456
Shares issued	245,000	29,400
Share issue expenses	–	(1,041)
At end of the year	490,000	47,815
<b>2014</b>		
At beginning of the year	91,000	9,183
Shares issued	154,000	10,567
Share issue expenses	–	(294)
At end of the year	245,000	19,456

The ordinary shares of no par value which are fully paid carry no right to fixed income.

On 18 November 2014, the Company issued 245,000,000 new ordinary shares of no par value at an issue price of \$0.12 for each ordinary shares in a share placement exercise.

Following the completion of the placement exercise, the Company has an issued and paid-up share capital comprising 490,000,000 ordinary shares as at 30 June 2015.

The Company intends to utilise the net proceeds from the placement of shares for general working capital and to fund potential acquisitions and investments.

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

#### Capital management:

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

There are significant borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

The Group and the Company are in compliance with all externally imposed capital requirements for the reporting years ended 30 June 2015 and 30 June 2014.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 24. OTHER RESERVE, TOTAL

#### Translation reserve

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations where the functional currencies are different from the functional currency of the Company.

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
At beginning of the year	196	(41)
Exchange differences attributable to disposal group reclassified to profit or loss	(140)	–
Net currency translation differences of financial statements of foreign subsidiaries	52	237
At end of the year	<u>108</u>	<u>196</u>

### 25. BORROWINGS

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Current				
- Bank borrowings	6,049	–	–	–
Non-current				
- Bank borrowings	15,913	–	–	–
Total borrowings	<u>21,962</u>	<u>–</u>	<u>–</u>	<u>–</u>

The exposure of the borrowings of the Group and the Company to the interest rate changes and the contractual repricing dates at the end of the reporting years are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
6 months or less	5,906	–	–	–
6 – 12 months	143	–	–	–
1 – 5 years	15,913	–	–	–
Total borrowings	<u>21,962</u>	<u>–</u>	<u>–</u>	<u>–</u>

#### Security granted

Total borrowings of \$21,962,000 as at 30 June 2015 are secured by investment properties of the Group valued at \$72,050,000 (Note 13).

The revolving credit facility of the Company, which has not been drawn down as at 30 June 2015, is secured against the Company's leasehold property (Note 12).



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 25. BORROWINGS (CONT'D)

#### Interest rates

The interest rates paid were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Bank/finance company borrowings (floating rate)	2.30% to 2.33%	—	—	—
Bank/finance company borrowings (fixed rate)	3.35% to 4.48%	2.33% to 6.75%	4.48%	2.33% to 6.75%

#### Fair value of non-current borrowings

The fair values of non-current borrowings is a reasonable approximation of the carrying amount as they are floating rate instruments that are frequently re-priced to market interest rates.

#### Bank facilities

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Undrawn revolving credit facility	560	560

The undrawn facility is available for operating activities and to settle other commitments.

### 26. FINANCE LEASE LIABILITIES

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Current	—	80	—	40
Non-current	—	150	—	150
Total	—	230	—	190
		Minimum payments	Finance charges	Present value
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>

#### **2014**

#### **Group**

Minimum lease payments due

- Not later than one year

- Between one and five years

Total

89	9	80
167	17	150
256	26	230

Net book value of plant and equipment under finance leases

503



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 26. FINANCE LEASE LIABILITIES (CONT'D)

	Minimum payments \$'000	Finance charges \$'000	Present value \$'000
<b>2014</b>			
<b>Company</b>			
Minimum lease payments due			
- Not later than one year	45	5	40
- Between one and five years	167	17	150
Total	212	22	190
Net book value of plant and equipment under finance leases			381

It is a policy to lease certain of its plant and equipment under finance leases. The average lease term is 4 years. The rate of interest for finance lease is about 3.0% per year. There is an exposure to fair value interest risk because the interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations are denominated in Singapore dollars and British pounds. The obligations under finance leases are secured by the lessor's charge over the leased assets.

### 27. TRADE AND OTHER PAYABLES

	<b>Group</b>		<b>Company</b>	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade payables and accrued liabilities:				
Outside parties	323	2,614	323	465
Related parties (Note 3)	—	9	—	9
Accrued operating expenses	723	1,493	413	948
	1,046	4,116	736	1,422
Other liabilities:				
Advances from customers (Note 20)	—	3,314	—	31
	—	3,314	—	31
Total trade and other payables	1,046	7,430	736	1,453

### 28. AMOUNT DUE TO SUBSIDIARIES

	<b>Company</b>	
	2015 \$'000	2014 \$'000
Nature:		
Trade	—	1,100
Non-trade	—	48
Total amount due to subsidiaries	—	1,148



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 29. EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit attributable to equity holders of the Company for the reporting year by the weighted average number of ordinary shares outstanding during the reporting year as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
A. Numerators: earnings attributable to equity		
Continuing operations: attributable to equity holders	12,512	250
Discontinued operations: (loss) / profit for the year	(534)	2,810
B. Total basic earnings	11,978	3,060
C. Diluted earnings	11,978	3,060
D. Denominators: weighted average number of equity shares		
	<b>No. of</b>	<b>No. of</b>
	<b>Shares</b>	<b>Shares</b>
	<b>'000</b>	<b>'000</b>
Basic	396,027	171,619
Diluted	396,027	171,619

### 30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

#### 30A. Classification of financial assets and liabilities

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

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Financial assets:				
Cash and cash equivalents	13,533	17,321	10,100	11,060
Loans and receivables	6	4,090	872	2,451
At end of the year	13,539	21,411	10,972	13,511
Financial liabilities:				
Borrowings measured at amortised cost	21,962	230	—	190
Trade and other payables measured at amortised cost	1,046	4,116	736	2,570
At end of the year	23,008	4,346	736	2,760

Further quantitative disclosures are included throughout these financial statements.

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



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

#### 30B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and actions to be taken in order to manage the financial risks. However these are not documented in formal written form. The guidelines include the following:

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

#### 30C. Fair values measurement of financial instruments

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

#### 30D. Credit risk on financial assets

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

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

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

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Trade receivables:</u>				
Less than 60 days	–	3,600	–	74
61-90 days	–	232	–	41
Over 90 days	–	258	–	505
Total	–	4,090	–	620



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

#### 30D. Credit risk on financial assets (cont'd)

(b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade receivables:				
Over 90 days	31	357	28	346
Total	31	357	28	346

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

There is no concentration of credit risk with respect to trade receivables, as there are a large number of customers.

#### 30E. Liquidity risk – financial liabilities maturity analysis

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

	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
<b>GROUP</b>			
Non-derivative financial liabilities:			
<u>2015:</u>			
Borrowings	6,192	16,279	22,471
Trade and other payables	1,046	–	1,046
At end of the year	7,238	16,279	23,517
<u>2014:</u>			
Gross finance lease obligations	89	167	256
Trade and other payables	4,116	–	4,116
At end of the year	4,205	167	4,372
<b>COMPANY</b>			
Non-derivative financial liabilities:			
<u>2015:</u>			
Trade and other payables	736	–	736
At end of the year	736	–	736
<u>2014:</u>			
Gross finance lease obligations	45	167	212
Trade and other payables	2,570	–	2,570
At end of the year	2,615	167	2,782

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 90 days (2014: 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statements of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

#### 30F. Interest rate risk

The interest rate risk exposure is from changes in fixed rate and floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<u>Financial liabilities:</u>				
Fixed rates	5,763	230	—	190
Floating rates	16,199	—	—	—
Total at end of the year	21,962	230	—	190

The interest rates are disclosed in the respective notes.

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

#### 30G. Foreign currency risks

Analysis of amounts denominated in non-functional currency.

	US dollars	Total
	\$'000	\$'000
<b>GROUP</b>		
<u>2015:</u>		
<u>Financial assets:</u>		
Cash and cash equivalents	341	341
Net financial assets at end of the year	341	341

	US dollars	China RMB	GBP	Total
	\$'000	\$'000	\$'000	\$'000
<b>GROUP</b>				
<u>2014:</u>				
<u>Financial assets:</u>				
Cash and cash equivalents	454	153	5,526	6,133
Trade and other receivables	943	—	2,309	3,252
Total financial assets	1,397	153	7,835	9,385
<u>Financial liabilities:</u>				
Borrowings	—	—	(40)	(40)
Other financial liabilities	(146)	—	(1,392)	(1,538)
Total financial liabilities	(146)	—	(1,432)	(1,578)
Net financial assets at end of the year	1,251	153	6,403	7,807



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

#### 30G. Foreign currency risks (cont'd)

	US dollars \$'000	Total \$'000
<b>COMPANY</b>		
<u>2015:</u>		
<u>Financial assets:</u>		
Cash and cash equivalents	338	338
Net financial assets at end of the year	338	338

	US dollars \$'000	China RMB \$'000	GBP \$'000	Total \$'000
<b>COMPANY</b>				
<u>2014:</u>				
<u>Financial assets:</u>				
Cash and cash equivalents	4	—	—	4
Trade and other receivables	402	12	—	414
Total financial assets	406	12	—	418
<u>Financial liabilities:</u>				
Other financial liabilities	(1,026)	—	(19)	(1,045)
Total financial liabilities	(1,026)	—	(19)	(1,045)
Net financial (liabilities)/ assets at end of the year	(620)	12	(19)	(627)

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

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



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 31. OPERATING LEASE PAYMENT COMMITMENTS – AS LESSEE

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

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Not later than one year	29	255	29	4
Later than one year and not later than five years	25	1,137	25	8
Rental expenses for the year	6	418	6	15

Operating lease payments are for rentals payable for certain premises and office equipment. The lease rental terms are negotiated for an average term of three years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

### 32. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

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

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Not later than one year	388	–	–	–
Later than one year and not later than five years	1,169	–	–	–
Later than five years	746	–	–	–
Rental income for the year	1,734	–	–	–

Operating lease income commitments are for the investment properties.

Operating lease commitments that are generally cancellable in nature are not included in the table above. In line with the general practice in Japan residential and commercial market, the majority of the leases for the investment properties are standard 2-year leases for which the leases may be terminated upon 1 month's notice for residential tenants and 6 months' notice for commercial tenants.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 33. EVENTS AFTER THE END OF THE REPORTING YEAR

Events after the end of the reporting year are as follows:

- (i) On 3 July 2015, the Company announced the transfer of its entire interest, representing 50% of the issued share capital of CDI Europe GmbH, to CDI Holding Pte Ltd (Note 16);
- (ii) On 27 July 2015, the Company's wholly-owned subsidiary, One Room Mansion Limited has entered into a Trust Beneficial Interest Sales and Purchase Agreement with Godo Kaisha JFA to purchase the properties, New City Apartment Minowa and New City Apartment Kuramae for an aggregate purchase consideration of JPY 1.76 billion (equivalent to S\$19.56 million); and
- (iii) In July 2015 and August 2015, the Company's wholly-owned subsidiaries, One Room Mansion Limited and Richwood Asia I Investment Limited have refinanced their borrowings undertaken for the investment properties at lower interest rate and longer repayment periods.

### 34. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

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

FRS No.	Title
FRS 27	Consolidated and Separate Financial Statements (Amendments to)
FRS 27	Separate Financial Statements (Revised)
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill)
FRS 39	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting (*)
FRS 110	Consolidated Financial Statements
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112
FRS 111	Joint Arrangements (*)
FRS 112	Disclosure of Interests in Other Entities
INT FRS 121	Levies (*)
FRS 19	Amendments To FRS 19: Defined Benefit Plans: Employee Contributions
Various	Improvements to FRSs (Issued in January 2014). Relating to
FRS 102	Share-based Payment (*)
FRS 103	Business Combinations
FRS 108	Operating Segments
FRS 113	Fair Value Measurement
FRS 16	Property, Plant and Equipment
FRS 24	Related Party Disclosures
FRS 38	Intangible Assets (*)
Various	Improvements to FRSs (Issued in February 2014). Relating to
FRS 103	Business Combinations
FRS 113	Fair Value Measurement
FRS 40	Investment Property

(\*) Not relevant to the entity.



## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 35. FUTURE CHANGES IN FINANCIAL REPORTING STANDARDS

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

FRS No.	Title	Effective date for periods beginning on or after
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
FRS 16 and FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 16 and FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (*)	1 Jan 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 Jan 2016
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (*)	1 Jan 2016
FRS 110, FRS 112 and FRS 28	Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 Jan 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations (*)	1 Jan 2016
FRS 114	Regulatory Deferral Accounts (*)	1 Jan 2016
Various	Improvements to FRSs (November 2014)	1 Jan 2016
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 109	Financial Instruments	1 Jan 2018

(\*) Not relevant to the entity.



## STATISTICS OF SHAREHOLDING

As at 18 September 2015

Issued and paid-up share capital	:	S\$47,815,464.26
Class of shares	:	Ordinary share
Total no. of ordinary shares	:	490,000,000
Voting rights	:	One vote per share
Number of treasury shares	:	Nil

### Distribution of Holders of Shares as at 18 September 2015

Size of Shareholdings	Number of Holders of Shares		Number of Shares	
		%		%
1 – 99	0	0.00	0	0.00
100 – 1,000	11	3.83	8,575	0.00
1,001 – 10,000	53	18.47	281,000	0.06
10,001 – 1,000,000	186	64.81	42,954,100	8.77
1,000,001 and above	37	12.89	446,756,325	91.17
<b>Total</b>	<b>287</b>	<b>100.00</b>	<b>490,000,000</b>	<b>100.00</b>

### Substantial Shareholders according to Register of Substantial Shareholders as at 18 September 2015

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	Number of Shares	%	Number of Shares	%
Lim Chuan Lam	128,925,925	26.31	17,000,000	3.47

**Note:**

Mr Lim Chuan Lam is deemed interested in 17,000,000 shares held by Chuan Leong Metalimpex Co. Pte. Ltd. by virtue of his shareholdings in Chuan Leong Metalimpex Co. Pte. Ltd.



## STATISTICS OF SHAREHOLDING

As at 18 September 2015

### Twenty Largest Shareholders as at 18 September 2015

	Name of Holders	No. of Shares	%
1	LIM CHUAN LAM	128,925,925	26.31
2	RAFFLES NOMINEES (PTE) LIMITED	51,330,900	10.48
3	MAYBANK KIM ENG SECURITIES PTE LTD	45,341,800	9.25
4	KWAH YEOW YONG	24,000,000	4.90
5	BAY CHEOW GUAN DAVID	22,981,900	4.69
6	SIM SIEW TIN CAROL (SHEN XIUZHEN CAROL)	21,300,000	4.35
7	CHUAN LEONG METALIMPEX CO PTE LTD	17,000,000	3.47
8	OCBC SECURITIES PRIVATE LIMITED	14,169,300	2.89
9	NG KHIM GUAN @NGADIMIN	12,000,000	2.45
10	BANK OF SINGAPORE NOMINEES PTE LTD	11,066,000	2.26
11	WANG FANG	10,671,000	2.18
12	TAY WEE KWANG	10,500,000	2.14
13	CHIN KOON YEW	10,000,000	2.04
14	LIM YOU MOY	8,950,000	1.83
15	ANAS	5,000,000	1.02
16	LIM CHEE WEI	5,000,000	1.02
17	UOB KAY HIAN PRIVATE LIMITED	4,762,300	0.97
18	LU PEK PAN	4,345,000	0.89
19	AW CHI-KEN BENJAMIN (HU ZHIQING)	4,000,000	0.82
20	YEO KHEE CHING	4,000,000	0.82
	<b>Total</b>	<b>415,344,125</b>	<b>84.78</b>

**Note:**

The percentages are computed based on the Company's total number of issued shares of 490,000,000.

Based on information available to the Company as at 18 September 2015, approximately 65.50% of the total number of issued shares listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") was held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST.



## NOTICE OF ANNUAL GENERAL MEETING

### IMPERIUM CROWN LIMITED

(formerly known as Communication Design International Limited)  
(Company Registration No. 199505053Z)  
(Incorporated in the Republic of Singapore)  
(the "Company")

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Imperium Crown Limited ("the Company") will be held at The Chevrans, 48 Boon Lay Way, Singapore 609961 on 28 October 2015 at 10:00 a.m. for the following purposes:

#### AS ORDINARY BUSINESS

1. To receive and adopt the Directors' report and the Audited Accounts of the Company for the financial year ended 30 June 2015 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring pursuant to Article 104 of the Articles of Association of the Company:
 

Mr Pao Kiew Tee	<b>(Resolution 2)</b>
Professor Tan Chin Tiong	<b>(Resolution 3)</b>

*Mr Pao Kiew Tee will upon re-election as a Director of the Company remain as Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee. Mr Pao Kiew Tee will be considered independent pursuant to Rule 704(7) of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("the Catalyst Rules").*

*Professor Tan Chin Tiong will upon re-election as a Director of the Company remain as Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Professor Tan Chin Tiong will be considered independent pursuant to Rule 704(7) of the Catalyst Rules.*
3. To approve the payment of Directors' fees of S\$197,500 for the financial year ended 30 June 2015 (2014: S\$121,000). **(Resolution 4)**
4. To re-appoint RSM Chio Lim LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

#### AS SPECIAL BUSINESS

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

##### 6. Authority to issue new shares

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

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

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

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



## NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 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);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (i)]

**(Resolution 6)**

### 7. Authority to issue shares under the Imperium Crown Employee Share Option Scheme

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant options under the prevailing Imperium Crown Employee Share Option Scheme (the “**Scheme**”) and to issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

**(Resolution 7)**

By Order of the Board

Wong Chuen Shya (Huang Chunxia)  
Company Secretary  
Singapore, 13 October 2015



## NOTICE OF ANNUAL GENERAL MEETING

### Explanatory Notes:

- (i) Ordinary Resolution 6, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares), of which up to fifty per centum (50%) may be issued other than on a *pro rata* basis to existing shareholders of the Company.

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

- (ii) Ordinary Resolution 7, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in aggregate (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time.

### Notes:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 25 Bukit Batok Crescent #08-01 The Elitist Singapore 658066 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

### PERSONAL DATA PRIVACY:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, 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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# IMPERIUM CROWN LIMITED

(F.K.A. COMMUNICATION DESIGN INTERNATIONAL LIMITED)  
Company Registration No. 199505053Z  
(Incorporated In The Republic of Singapore)

## PROXY FORM

(Please see notes overleaf before completing this Form)

### IMPORTANT:

1. For investors who have used their CPF monies to buy IMPERIUM CROWN LIMITED's (formerly known as Communication Design International Limited) shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number)

of \_\_\_\_\_ (Address)

being a member/members of IMPERIUM CROWN LIMITED (formerly known as Communication Design International Limited (the "Company")), hereby appoint:

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at The Chevrans, 48 Boon Lay Way, Singapore 609961 on 28 October 2015 at 10:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Resolutions relating to:	For*	Against*
1	Directors' Report and Audited Accounts for the financial year ended 30 June 2015		
2	Re-election of Mr Pao Kiew Tee as a Director of the Company		
3	Re-election of Professor Tan Chin Tiong as a Director of the Company		
4	Approval of Directors' fees amounting to S\$197,500 for the financial year ended 30 June 2015		
5	Re-appointment of RSM Chio Lim LLP as Auditors		
6	Authority to issue new shares		
7	Authority to issue shares under the Imperium Crown Employee Share Option Scheme		

\* If you wish to exercise all your votes "For" or "Against", please "✓" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015

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

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

\*Delete where inapplicable

**Notes :**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the member shall specify the proportion of his/her shares to be represented by each proxy, failing which the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 25 Bukit Batok Crescent #08-01 The Elitist Singapore 658066 not less than forty-eight (48) hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 October 2015.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.





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