



CELEBRATING
40 years
of Blessings

NOEL GIFTS INTERNATIONAL LTD
Annual Report 2015

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40 YEARS OF GIFTING

Since 1975, we have held on to our core values of Quality, Service, Creativity and Value (QSCV) and focused on providing the best quality gifts to help convey messages of love and goodwill.

Today, with this annual report, Noel celebrates 40 years of bringing people closer where love, aspirations and positive values bind us in perfect unity.



ABOUT US

Noel Gifts International Ltd (Noel Gifts) is the leading hampers, flowers and gifts company with an extensive offering of chic floral arrangements and gifting ideas for the stylish and discerning.

Over the past 40 years, the company has been Bringing People Closer with premium quality gift selections for all occasions. Since its inception in 1975, the company began business under the name “Noel Commerce” as a year-end hamper packaging company. In 1982, the company expanded to incorporate a flower business and was renamed “Noel Hampers and Gifts Pte Ltd” a year later.

In 1993, the company was renamed “Noel Gifts International Ltd” due to steady growth of the business. In the same year, the company also became a public listed company on the second board of Singapore Stock Exchange, SESDAQ. In 2008, Noel Gifts was listed on the SGX Mainboard.

Till today, Noel Gifts remains true to its core values, and continues living its vision of

Bringing People Closer, Making Everyday Better.



NOEL MILESTONES

40 YEARS OF GIFTING



1992

Expanded franchise network in Malaysia, Thailand and Indonesia

1993

Noel Hampers & Gifts was renamed Noel Gifts International Ltd and listed on the then Stock of Exchange of Singapore

1988

Purchase of Noel Building at Playfair Road to accommodate growing business operations

1994

One of the first local companies to be awarded the "Business Headquarters" status by the Ministry of Trade and Finance

1983

Noel Commerce was restructured and renamed Noel Hampers & Gifts Pte Ltd to cope with record sales volume and an increase in manpower

1975

Inauguration of Noel Commerce specialising in packaging and sales of year-end hampers

1982

A new flowers business was set up to complement Noel's hamper business





HUMMING

2008

Acquired the brand and assets of competitor. Setting up of Humming Flowers & Gifts Pte Ltd in January 2008

1995

Commissioned the building of Noel Corporate Building at Kallang Avenue

2006

Sale of Noel Corporate Building at Kallang Avenue for \$28.6m

1999

Launch of Noelgifts.com, our foray into online sales channel



2012

Awarded the winner of Singapore Prestige Brand Award – Heritage Brand for 2010, 2011 and 2012.

With this win, the organiser recognises Noel for winning the award for three consecutive years and hence inducted Noel to the SPBA Hall of Fame



2015

Awarded the official vendor of SG50 Baby Jubilee Gifts

Awarded the vendor for packaging, marketing and sale of SG50 numismatic notes by Monetary Authority of Singapore



2013

Awarded Singapore Packaging Star Awards and World Star Award 2013 for the Floral Tote Version 2.0



**WORLDSTAR
WINNER 2013**

**WPO
WORLD
PACKAGING
ORGANISATION**



NOEL 40TH ANNIVERSARY THANKSGIVING AND CHARITY GALA DINNER



The Noel Group lifted a glass to a good cause as it raised S\$2.0 million for six charities at its 40th Anniversary 'Thanksgiving & Charity Gala Dinner' at Shangri-La Hotel, July 30, 2015. The event was graced by Emeritus Senior Minister Goh Chok Tong as the Guest of Honour.

An elegant event attended by honourable VVIPs, business associates, customers, supply partners and Noelians of our past and present; it was truly an evening to remember. Guests enjoyed the sumptuous dinner and fine wines, making new friends and also renewed friendships amidst special guest performances by internationally renowned home-

grown artiste, Olivia Ong and award-winning jazz flutist, Rit Xu.

Mr. Alfred Wong, Managing Director of Noel Gifts said, "As one of the pioneers in the hampers, flowers and gifts industry and a home-grown company, it is with great joy that we commemorate 40 years in the gifting business and Singapore's Golden Jubilee this year. We owe our achievements to our business partners, staff, shareholders and customers who have supported us over the years and would like to extend our heartfelt gratitude and celebrate this momentous occasion with all of them.





“Even as we give thanks for our successes and milestones achieved, as a gift-giving company, we are delighted to be able to give back to society and help those in need. We hope that through our efforts, we will be able to touch lives and spread love and compassion for the underprivileged,” added Mr. Wong.

In line with realising its vision of “Bringing People Closer, Making Everyday Better”, Noel Gifts matched dollar-for-dollar for the S\$0.5 million which was collectively raised by the six charities. Together with the government’s Care & Share Matching Grant, a total of S\$2.0 million was raised at the dinner.

The beneficiaries are Life Community Services Society, WeCare@MarineParade, Bethesda Care & Counseling Services Centre, Focus on the Family Singapore and Seventy Times Seven (an initiative of Prison Fellowship Singapore). Prior to the evening’s dinner, each of the charities engaged in separate fund-raising events to raise funds. Funds for the Children’s Cancer Foundation were raised by CHAIRITY Arts & Design Against Cancer.



MANAGING DIRECTOR'S MESSAGE



“The Noel Gifts Division has extended beyond our core competency of flowers and gifts to undertake two contracts awarded by the Government of Singapore. These projects have not only contributed to the increase in revenue, but also raised the public profile of the company.”

Alfred Wong Siu Hong
Managing Director



Dear Shareholders

As we celebrate the 40th anniversary of our business, it is a good time for us to reflect on our past as we envisage our future. Over these 40 years, we have seen the business grow from a small cottage industry to a public-listed company. We have served individuals, local small and medium companies, large multinational companies and participated in big government projects. In our service, all through the years, we have always delighted in our mission of Bringing People Closer. As 'People' and 'Relationships' are the most important factors to success in any personal or professional endeavour.

We are thankful for the people in our business - our key stakeholders, customers, past and present team members, supply partners, shareholders and friends who have contributed to our journey. Most of all, we acknowledge and give thanks to the Almighty God who has watched the company grow, overcome different challenges, won business deals, and now, bringing us to another 40 years and beyond.

Giving a summary of our 40th year of operations, I would update that it has been an exciting year for the Group. The Noel Gifts Division expanded beyond our core competency of flowers and gifts to undertake two contracts awarded by the Government of Singapore. These projects have not only contributed to the increase in revenue, but also raised the public profile of the company.

Moving forward, the Group will take stock of our strengths and experience in the gifting industry to innovate and expand our business.

FINANCIAL REVIEW

For the financial year ended 30 June 2015, the Group reported an increase of revenue from \$27.6 million in FY2014 to \$29.4 million in FY2015 with an improved gross profit of 2.9% from \$13.4 million to \$13.8 million.

Cost of operations has increased by 5.7%, registering \$12.9 million against \$12.2 million in the previous reporting year. This was mainly due to investments in our workforce with training and motivation programmes.

The Group's profit after tax registered an increase from \$1.6 million in FY2014 to \$2.9 million in FY2015. The increase is largely due to gain on disposal of our shares in First Balmoral Development Pte Ltd.

OUR MARKETS DIVISION

Locally, Noel Gift Division has been awarded the contract from the National Population & Talent Division, Prime Minister's Office (NPTD) for the supply, design and distribution of the Baby Jubilee Gift in June 2014. This project was not only extensive as it involved producing and delivering the SG50



MANAGING DIRECTOR'S MESSAGE



Baby Jubilee Gift to all SG50 babies born in 2015; it was also significant as we are a home-grown Singapore company participating in this noteworthy SG50 Celebration.

Another leading project for Noel Gifts this year would be the contract awarded by the Monetary Authority of Singapore (MAS) for the Packaging, Marketing and Sale of Numismatic Currency Sets in March 2015. The Numismatic currency sets were launched on 18 August 2015, the same date as the six commemorative currency notes to celebrate SG50 by Monetary Authority of Singapore (MAS). Noel Gifts is honoured to be participating in the project.

Our other local brand, Humming, has managed to sustain its performance amidst a less buoyant market and greater competition through concerted efforts in service improvements and in marketing. We will continue our commitment to improve our products and services so that our customers will always enjoy delightful gifting experiences.

Amidst economic uncertainty, our Malaysia operations turned in weak results. This market continues to be challenging.





DIVIDENDS

In celebration of Singapore's Golden Jubilee anniversary and Noel's 40th Anniversary, the Group will be declaring a First & Final cash dividend of 0.6 cent per ordinary share, and a Special dividend of 2.4 cents per ordinary share, subject to shareholders' approval at the upcoming Annual General Meeting.

CELEBRATING 40 YEARS OF BRINGING PEOPLE CLOSER

After 40 years in this industry, we remain deeply committed to our mission of 'Bringing People Closer'. Our team firmly believes that our customers and their need for flowers and gifts are the reasons for our existence. We will continue our quest for superior new products and gift concepts so that our customers will always be selecting from the best choices in the market. We will also look at innovations for our operation processes to improve customer experience in all the various touch points.

ACKNOWLEDGEMENT

Our 40th anniversary is the perfect opportunity to recognise our loyal supporters. Reaching four decades in the business is a major milestone and we are grateful that you have joined us in this journey.

Above all, I would like to give all Glory to God for our achievements in the last 40 years.

Yours sincerely

Alfred Wong Siu Hong

Managing Director



BOARD OF DIRECTORS



1. Mr Alfred Wong Siu Hong
2. Mrs Ivy Tan (Mdm Wong Phui Hong)
3. Mr Freddie Heng Kim Chuan
4. Mr Koh Soo Keong



Mr Alfred Wong Siu Hong

Managing Director

Alfred is the founder of Noel Gifts International Ltd, and has been its Managing Director since its commencement. Over 40 years of experience in the hamper, flower & gift business, he is in charge of the strategic planning, overall financial management and growth of the Group. Since 1997, he has also been spearheading the Property Division, overseeing property investment and development. He is a recipient of the 1991 ENDEC Entrepreneurship Excellence Award. Mr Wong holds a Master of Business Administration degree with distinction.

Mrs Ivy Tan (Mdm Wong Phui Hong)

Non-Executive Director

Mrs Ivy Tan is a Non-Executive Director with effect from 28 September 2007. A co-founder since its inception, Mrs Tan was the Deputy Managing Director overseeing the management of the Gift Division. Her long tenure with the company commensurate her vast experience and knowledge of the industry. Mrs Tan continues to provide advice in key strategic planning as an Advisor. She also serves as the Company Secretary. Mrs Tan is the Executive Pastor of Bethesda Bedok-Tampines Church (BBTC) since January 2008. She holds a Master of Business Administration degree with distinction.

Mr Freddie Heng Kim Chuan

Independent, Non-Executive Director

Freddie has been an Independent Director of the Company since 1993. He served as an Audit Manager in Arthur Andersen & Co. from 1981 to 1984, as a Financial Controller at Noel from 1984 to 1987, and as an Executive Director of Van Der Horst Limited from 1992 to 2000. Since 2000, he has been a Director in his own consultancy company and is also currently a Non-Executive Director in SML Corporation Limited, a company incorporated in Bermuda and listed on the Australian Stock Exchange. Mr Heng has an extensive experience in the areas of financial and operations systems, corporate restructuring as well as mergers and acquisitions. He is a Chartered Accountant and holds a Bachelor of Science (Economics) degree.

Mr Koh Soo Keong

Independent, Non-Executive Director

Soo Keong has been an Independent, Non-Executive Director of the Company since 1999. He was the Chief Executive Officer and President of Toll Asia Pte Ltd (formerly known as SembCorp Logistics Ltd) until April 2007. He is a Board Member of two other publicly listed companies and the Chairman of the Agri-Food and Veterinary Authority of Singapore. He holds a Bachelor of Engineering (Honours), a Master of Business Administration and a Post Graduate Diploma in Business Law from the University of Singapore (now known as the National University of Singapore).



MANAGEMENT TEAM



1. Bernadette Kwan
2. Jason Tan
3. Michelle Chong
4. Amos Sim
5. June Koh
6. Jess Chan
7. Magdalene Siew



Bernadette Kwan | General Manager

Bernadette has been with Noel since June 1993. In her 20 years with the company, Bernadette has fronted the Product Management, Purchasing as well as the Operations Departments. As Noel's General Manager, Bernadette is responsible for overseeing the management of the Gifts Division. Her range of duties includes strategic planning, business operations, product development and advertising and promotions to marketing and sales for the local market. Bernadette holds a Masters in Business Administration.

Jason Tan | Creative Group Head

Before Jason's return to Noel in 2000, Jason had held various positions in sales, merchandising, advertising and promotions and marketing. Upon his return, he was put in charge of establishing the Creative Department. His responsibilities include all creative aspects of the company from the conceptualising of the products to its creative presentations, print designs to the final packaging. Jason also oversees the creative direction for all corporate identity, marketing materials and media presentations.

Michelle Chong | Country Finance Manager

Michelle came on board to Noel in 1993. Over the last 20 years, she has risen up the ranks and was promoted to the position of Senior Accountant in April 2007. In 2012, Michelle was promoted and is the Country Finance Manager. She is overall-in-charge of the Group's finance, treasury and tax functions, and is tasked to oversee the finance function for the Singapore operations. She possesses a professional qualification from the Association of Chartered Certified Accountants.

Amos Sim | General Sales Manager

Amos served in the Operations Department from 1997 to 2001 before moving over to the Sales Department as a Sales Executive for one and a half years.

After a short stint with a multi-national hygiene company as their Operations Manager, Amos returned to Noel as its Sales Manager, in late 2003.

In July 2007, Amos was promoted to General Sales Manager to overseeing several sales channels. Since 2011, besides overseeing the sales channels, Amos is tasked with ensuring excellent customer care with the management of sales support and customer service under his purview. He currently holds a Diploma in Marketing.

June Koh | Operations Manager

In 1996, June joined Noel as its Assistant Franchise Manager, with the responsibility to service Noel Franchisees in Bangkok and Malaysia. In 1997 she was transferred to the Operations Department where she took on the position of Assistant Operations Manager. In 2002, she was promoted to Fulfilment Manager to assist in the overseeing of the store, production and transport sections under the Operations Department. A Diploma holder in Business Studies, June currently heads the Operations Department.

Jess Chan | Manager, Product Management and Advertising/Promotions

Jess joined Noel in April 2001 as the Internet Marketing Assistant. In 2002, Jess was transferred to the Product Management Department where she gained considerable experience and expertise in that subject area. In 2006, she was promoted to Assistant Manager and was subsequently promoted to her present position as Product Manager the following year. Since June 2011, Jess has dual portfolio of Product Management as well as Advertising and Promotions. She holds a degree in Business and Commerce from the Monash University.

Magdalene Siew | Internet Marketing Manager

Magdalene joined Noel in 2005 as an Internet Marketing Executive where she was responsible for the growth of the internet business. Other responsibilities she assumed included channel sales and the planning of internet-related marketing activities. In 2006 Magdalene was promoted to Senior Internet Marketing Executive. Two years later, the Bachelor holder in Business Advertising and Electronic Marketing was further promoted to her current position as the Internet Marketing Manager.



MANAGEMENT TEAM



1. Gladys Tan
2. Jay Oon
3. Alvin Tan
4. Jessheena Ong
5. Cindy Ang
6. June Heah
7. Evelyn Lee



Gladys Tan | *Personal Assistant/Office Manager*

Gladys first joined Noel in March 1994 as the Secretary to the Managing Director. Over the years, she took on several roles which included secretarial and administration duties. She later moved through the ranks and was promoted to the Personal Assistant to the Deputy Managing Director in 2003.

In July 2007, she was promoted to take on the portfolio of Office Manager. With more than 21 years of service serving the top management of Noel, Gladys has been the Personal Assistant to the Managing Director since 2004. In 2011, she had also been put in charge of property lease. She holds a Diploma in Public Relations and Marketing.

Jay Oon | *Sales Manager*

Jay joined Noel in 2005 as a Sales Executive. With more than 20 years of sales experience spanning across various industries such as alarm systems, information technology and training services, Jay was promoted to Sales Manager in 2007 to lead the sales team. He holds a certificate in Sales and Marketing from the Marketing Institute of Singapore.

Alvin Tan | *Fulfilment Manager*

Alvin joined Noel in March 2005 as its Store Supervisor. In 2006, he was promoted to Store Senior Supervisor. A year later, he was promoted to Operation Executive to assist in the overseeing of the Operations Department. In July 2008, the Diploma holder in Computer Studies was promoted to Assistant Operations Manager. Alvin Tan has been promoted to Fulfilment Manager in 2011.

Jessheena Ong | *Credit Manager*

Jessheena joined Noel in September 1987 and has gain considerable experience and skills in credit control and management over the years. She was promoted to Credit Manager in July 2011 where she is in charge of overseeing the Credit Department responsible for credit management and accounts receivables. Jessheena holds a GCE 'O' level Certificate.

Cindy Ang | *Assistant Sales Manager*

Cindy joined Noel in 1996 as a Sales Executive. Over the 15 years with the company, she excelled in her sales performance and gained valuable experience in sales management. In July 2008, Cindy was promoted to Assistant Sales Manager. Cindy holds a GCE 'O' level Certificate.

June Heah | *Customer Relations, Manager*

June joined Noel in 1992 as Customer Service Assistant. Within the year, she was promoted to Customer Relations Officer. June rose through the ranks and in 2000 she was promoted to Customer Relations Executive. Having acquired extensive experience in customer service and managerial skills, June was promoted to Customer Relations Assistant Manager in July 2008 and in July 2012 she was promoted to Manager. June holds a GCE 'O' level Certificate.

Evelyn Lee | *Assistant Manager, Personnel and Admin*

Evelyn joined Noel in 2005 as Personnel and Admin Executive. Prior to Noel, Evelyn has been with a media and sales promotion company for over 10 years and had held various positions as promotions coordinator, media officer and HR executive. In Noel, besides personnel functions of recruitment, staff welfare and policy administration, Evelyn also assisted the General Manager with administrative matters. As Evelyn progressed with the company, her work scope widened to payroll management, assessing training needs, organise training and staff welfare programs as well as co-ordinate the company's needs on insurance. Evelyn was promoted to Assistant Manager, Personnel and Admin in 2011.



BUSINESS DEVELOPMENT TEAM



1. Winnie Tan
2. Joyce Yuen
3. Tham Mei Yoke
4. Christopher Tan
5. Audrey Allyson Pavanaris
6. Kim Wong
7. Keith Wong Ho Hon



Winnie Tan | General Manager, Strategic & Business Development

Winnie started out her career in Advertising and Promotions in 1988. Over the years, she has built up an extensive portfolio in consumer marketing, advertising and promotions and has handled the accounts of major local and international brands which include the likes of Yeo Hiap Seng, Gardenia, Evian, Eveready, Toyota, Kodak, Philips and Reebok.

Prior to joining Noel, Winnie served as a General Manager at a sales promotion consultancy firm and a media company. The Diploma holder in Marketing from the Chartered Institute of Marketing, the United Kingdom; Winnie oversees management and operating functions of three business units in the Group.

Joyce Yuen | General Manager

Joyce is the General Manager of Humming Flowers and Gifts Pte Ltd. She has more than 18 years in the flowers and gifts business prior to joining Humming Flowers and Gifts Pte Ltd in 2008. Her vast experience in customer service, sales management, product sourcing and operation processes contributes positively to the company. She has strong business sense and a good ability to build strong customer relationships. Currently, Joyce oversees the operations of Humming Flowers & Gifts Pte Ltd.

Tham Mei Yoke | Finance Manager (Regional & Business Development)

Mei Yoke has been with Noel between 1988 to 2005, before she left the Group. In her 17 years of experience with the Group, she had participated in corporate finance, accounting, tax, corporate secretarial and other corporate functions. Some key highlights of her career with the Noel Group included participation in several corporate exercises such as Noel Gifts International Ltd initial public offering and the Group's diversification to new business. Mei Yoke obtained the professional qualification of the Association of Chartered Certified Accountants and is a member of the Institute of Singapore Chartered Accountants. She has rejoined the Noel Group in March 2012 as Finance Manager (Regional and Business Development) and is responsible in overseeing the Group's finance, accounting, internal controls, treasury and tax functions for new businesses and the overseas operations in Malaysia.

Christopher Tan | Marketing Manager

Christopher joined Noel in 1996 as a Franchise Executive, servicing Noel Franchisees in Malaysia and Indonesia. In 1997, he was transferred to the Operations Department where he subsequently enjoyed a well-rounded exposure in various departments that include the Creative, Product Management and Property divisions. Christopher was

promoted to Assistant Manager in 2002 and subsequently to the position of Product Manager in 2004. Christopher rejoined the company in 2007, and has been on several business development projects. Between 2011 and 2014, he spent most of his time in Kuala Lumpur and was instrumental to the set up of Noel Gifts Malaysia Sdn Bhd. Christopher Tan took over his new portfolio of Marketing in January 2015 for Humming Flowers & Gifts Pte Ltd, overseeing product development, creative design, advertising, PR and promotion for the Humming brand. He holds a Bachelor of Science (Economics) in Management Studies.

Audrey Allyson Pavanaris | Branch Manager

Audrey joined Noel Hampers & Gifts (Johore) Sdn. Bhd. in 1995 as a Customer Service Assistant. As a keen learner, she was transferred to assist the General Manager as his secretary between 1996 to 1999. The three years gave her good learnings and she was subsequently assigned to take care of product development and management as well as oversee the Customer Service Department between 2003 to 2007. Having many years of experience in the company coupled with well-rounded exposure in various departments, Audrey was poised to step into the position of Assistant Branch Manager in 2007. In June 2010, Audrey was promoted as the Branch Manager.

Kim Wong | Business Development Manager

Kim joined Noel in September 2005 as a Management Trainee. In her first three years with Noel, Kim was assigned to product management and sales duties; chalking up merchandising experience and building up excellent client relationships. She had participated actively in the integration programme of Noel's subsidiary company. From 2011 to 2014, Kim was seconded to the subsidiary, Humming Flowers & Gifts Pte Ltd to oversee Marketing including product development, creative design, digital marketing, advertising, PR and promotions for the Humming brand. She is currently back in Noel Gifts doing business development for the parent company. Kim is a holder of a Bachelor of Science in Business Administration from Boston University.

Keith Wong Ho Hon | Assistant Manager

Keith started his sojourn with Noel Gifts International Ltd as a young intern at 17 years old. In 2009, he joined Noel as a management trainee and was assigned to the sales team, gaining knowledge and experience in sales as well as servicing key customers. In October 2011, he continued his sales journey with Noel Gifts Malaysia Sdn Bhd building and leading the sales team for the setup. In July 2014, Keith was given his new assignment in the Property Division to explore and uncover new opportunities in this dynamic sector. Keith is a holder of a Bachelor of Science (Business) from University of London.



OPERATIONS REVIEW

The Gifts Division had a busy and exciting year as Singapore celebrates our SG50 Golden Jubilee year.

Noel Gifts was awarded the official vendor for the SG50 Baby Jubilee Gifts Initiatives which not only saw an increase in its sales revenue but also lifted the company's profile. The company also won another award by the Monetary Authority of Singapore to produce SG50 Jubilee Numismatic Notes. The awards of these two projects are main highlights for the Group and strongly motivated the management and staff to leverage and propel for better growth beyond this year.

Humming Flowers and Gifts also weighed in to improve its competitive edge by embarking on Customer-Centric Initiative with the help of SPRING Singapore. By reassessing its core strengths and uncovering service gaps, the company not only develop a set of customer service core values – friendliness, trustworthiness, care and efficiency but also put service staff through a series of training programmes to develop their customer care skills. As a result, Humming has gone on to obtain Singapore Service Class (S-Class) certification, Business Excellence niche standard for service.

SG50 Baby Jubilee Gifts

Noel Gifts International Ltd is honoured and proud to be awarded as the official vendor for the SG50 Baby Jubilee Gifts.

The SG50 Baby Jubilee Gift is a community initiative led by the National Population and Talent Division, supported by REACH, the Ministry of Social and Family Development, Families for Life, NTUC U Family, and I Love Children. In conjunction with the SG50 celebrations to commemorate Singapore's Golden Jubilee, the Gift consists of a small set of meaningful items from all Singaporeans to welcome every Singapore Citizen baby born in 2015.

Noel Gifts contributed to the concept, design, sourcing of products, packaging, and delivery of materials for the SG50 Baby Jubilee Gifts.



OPERATIONS REVIEW

What's in the Gift?

A specially designed keepsake suitcase that contains 8 carefully selected items for the new arrival.

SG50 Baby Jubilee Gift commemorative medallion, scrapbook, Set of children's books, Set of baby clothes, Baby sling, Diaper bag, Family photo frame, Multi-function shawl



SG50 Jubilee Numismatic Notes

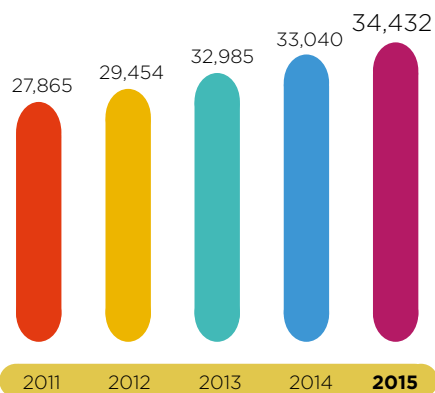
2015 marks Singapore's 50th year of independence. To commemorate this important moment, MAS has issued a series of SG50 notes and coins. The series comprises a \$50 note, five \$10 notes as well as a \$2 cupro-nickel coin, a \$5 silver coin and a \$50 gold coin.

Noel Gifts was awarded by the Monetary Authority of Singapore (MAS) for the Packaging, Marketing and Sale of Numismatic Currency Sets. A total of 7 types of sets with limited quantities were available for the public to place order.

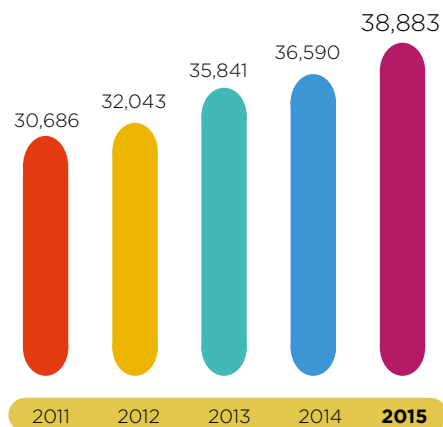


FINANCIAL HIGHLIGHTS

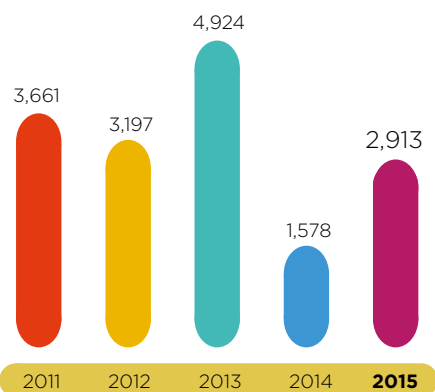
Shareholders' Fund
(S\$'000)



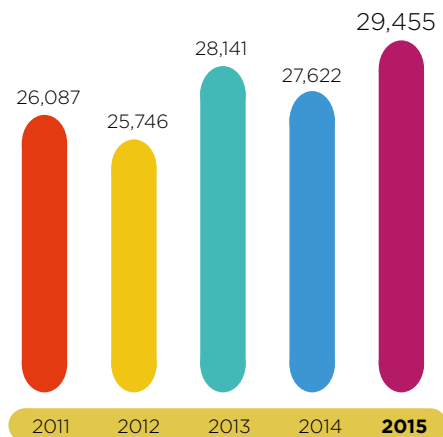
Total Assets
(S\$'000)



Profit Attributable to Shareholders
(S\$'000)



Turnover
(S\$'000)



CORPORATE INFORMATION

Board of Directors

Alfred Wong Siu Hong
Mrs Ivy Tan (Mdm Wong Phui Hong)
Freddie Heng Kim Chuan
Koh Soo Keong

Audit Committee

Freddie Heng Kim Chuan (Chairman)
Koh Soo Keong
Mrs Ivy Tan (Mdm Wong Phui Hong)

Nominating Committee

Freddie Heng Kim Chuan (Chairman)
Koh Soo Keong
Alfred Wong Siu Hong

Remuneration Committee

Koh Soo Keong (Chairman)
Freddie Heng Kim Chuan
Alfred Wong Siu Hong

Company Secretary

Mrs Ivy Tan (Mdm Wong Phui Hong)

Registered Office

21 Ubi Road 1
#03-01
Singapore 408724

Auditors

Deloitte & Touche LLP
6 Shenton Way #33-00
OUE Downtown 2
Singapore 068809

Partner in charge: Mr Chua How Kiat
Appointed with effect from financial year ended
June 30, 2013

Registrars and Share Transfer Office

Intertrust Singapore Corporate Services Pte Ltd
3 Anson Road #27-01
Springleaf Tower
Singapore 079909

Principal Bankers

The Development Bank of Singapore Limited
12 Marina Boulevard #43-03,
Marina Bay Financial Centre Tower 3,
Singapore 018982

Malayan Banking Berhad
2 Battery Road,
Maybank Tower,
Singapore 049907

United Overseas Bank Limited
80 Raffles Place, UOB Plaza,
Singapore 048624

Overseas-Chinese Banking Corporation Limited
65 Chulia Street, OCBC Centre,
Singapore 049513



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REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the financial year ended June 30, 2015.

1 DIRECTORS

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

Alfred Wong Siu Hong
Wong Phui Hong
Freddie Heng Kim Chuan
Koh Soo Keong

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

Neither at the end of the financial year nor at any time during the financial 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.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act, except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At July 1, 2014	At June 30, 2015	At July 1, 2014	At June 30, 2015
<u>Noel Gifts International Ltd - Company</u>			<u>Ordinary shares</u>	
Alfred Wong Siu Hong	22,537,627	22,537,627	23,000,000	23,000,000
Wong Phui Hong	6,831,372	6,831,372	8,500,000	8,500,000



REPORT OF THE DIRECTORS

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

Name of directors and companies in which interests are held	Shareholdings registered in the name of directors	
	At July 1, 2014	At June 30, 2015
<u>Noel Hampers & Gifts (Johore) Sdn Bhd - Subsidiary</u>	<u>Ordinary shares of RM1 each</u>	
Wong Phui Hong	1,000	1,000

None of the directors holding office as at June 30, 2015 had any interests in the options to subscribe for ordinary shares of the company granted pursuant to the Noel Executives' Share Option Scheme.

By virtue of Section 7 of the Singapore Companies Act, Alfred Wong Siu Hong and Wong Phui Hong are deemed to have an interest in the shares held by the company in its subsidiaries.

The directors' interests in the shares and options of the company at July 21, 2015 were the same at June 30, 2015.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

5 SHARE OPTION SCHEMES

Details of options to subscribe for unissued shares of the company granted to executives and employees of the group under the Noel Executives' Share Option Scheme are as follows:

The Noel Executives' Share Option Scheme ("the Scheme") was approved by the members of the company at an Extraordinary General Meeting held on December 12, 1995. The Scheme provides an opportunity for full-time directors and executives ("Executives") of the group to participate in the share capital of the company.

The Scheme serves to motivate Executives to perform their utmost best and to maintain a high level of contribution for the benefit of the group as well as to retain Executives whose contributions are important to the long-term growth and profitability of the group.



REPORT OF THE DIRECTORS

5 SHARE OPTION SCHEMES (cont'd)

Administration of the Scheme is undertaken by the Remuneration Committee comprising:

Koh Soo Keong (Chairman)
Freddie Heng Kim Chuan
Alfred Wong Siu Hong

Each option entitles the holder to subscribe for 1 ordinary share in the company at the relevant exercise price.

Subject to Rule 9 of the Scheme, an option shall immediately lapse upon the participant ceasing to be employed by the company or any of its subsidiaries.

Holders of the share options have no right to participate in any share issues of any other company. No employee or employee of related corporations has received 5% or more of the total options available under this scheme.

During the financial year, no option to take up unissued shares of the company was granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the company.

There were no unissued shares of the company under option at the end of the financial year.

6 AUDIT COMMITTEE

The Audit Committee ("Committee") of the company is chaired by Freddie Heng Kim Chuan; a non-executive director, and includes Wong Phui Hong and Koh Soo Keong, both non-executive directors.

The Committee has met two times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external auditors of the company:

- (a) the group's financial and operating results and accounting policies;
- (b) the statement of financial position and statement of changes in equity of the company and the consolidated financial statements of the group before their submission to the directors of the company and external auditors' report on those financial statements;
- (c) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the company and the group;
- (d) the co-operation and assistance given by the management to the group's external auditors; and
- (e) the re-appointment of the external auditors of the group.



REPORT OF THE DIRECTORS

6 AUDIT COMMITTEE

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

The Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the group at the forthcoming AGM of the company.

7 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Alfred Wong Siu Hong

Wong Phui Hong

September 7, 2015



STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 30 to 88 are drawn up so as to give a true and fair view of the financial position of the group and of the company as at June 30, 2015, and of the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Alfred Wong Siu Hong

Wong Phui Hong

September 7, 2015



INDEPENDENT AUDITORS' REPORT

To the Members of Noel Gifts International Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of Noel Gifts International Ltd (the company) and its subsidiaries (the group) which comprise the consolidated statements of financial position of the group and the statement of financial position of the company as at June 30, 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 and the statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 88.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

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



INDEPENDENT AUDITORS' REPORT

To the Members of Noel Gifts International Ltd

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 the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Chua How Kiat
Partner

September 7, 2015



STATEMENT OF FINANCIAL POSITION

June 30, 2015

	<u>Note</u>	Group		Company	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>					
Current assets					
Cash and cash equivalents	6	12,021	10,827	10,628	9,574
Trade receivables	7	1,395	1,248	654	641
Amount due from related companies, associates and related parties	8	–	–	197	157
Deposits, other receivables and prepayments	9	640	397	522	164
Inventories	10	5,516	3,269	3,733	1,689
Total current assets		19,572	15,741	15,734	12,225
Non-current assets					
Subsidiaries	11	–	–	3,091	3,075
Associates	12	28	1,825	–	1,000
Club membership	13	160	165	160	165
Available-for-sale investments	14	1,236	1,244	1,236	1,244
Plant and equipment	15	2,062	1,640	1,465	1,083
Investment properties	16	15,825	15,975	15,825	15,975
Total non-current assets		19,311	20,849	21,777	22,542
Total assets		38,883	36,590	37,511	34,767



STATEMENT OF FINANCIAL POSITION

June 30, 2015

	<u>Note</u>	Group		Company	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade payables	17	1,312	669	1,099	366
Amount due to related companies, associates and related parties	8	49	53	997	1,000
Other payables	18	2,546	2,219	1,753	1,470
Finance lease	19	20	–	20	–
Income tax payable		73	149	52	128
Total current liabilities		4,000	3,090	3,921	2,964
Non-current liabilities					
Other payables	18	260	293	185	209
Deferred tax liability	20	191	167	138	119
Total non-current liabilities		451	460	323	328
Capital and reserves					
Share capital	21	10,251	10,251	10,251	10,251
Currency translation deficit		(112)	(136)	–	–
Fair value adjustment surplus		46	54	46	54
Accumulated profits		24,247	22,871	22,970	21,170
Total equity		34,432	33,040	33,267	31,475
Total liabilities and equity		38,883	36,590	37,511	34,767

See accompanying notes to financial statements.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

Year ended June 30, 2015

		Group	
	<u>Note</u>	<u>2015</u>	<u>2014</u>
		<u>\$'000</u>	<u>\$'000</u>
Revenue	22	29,455	27,622
Cost of sales		(15,699)	(14,255)
Gross profit		13,756	13,367
Other operating income	23	2,114	501
Distribution costs		(3,632)	(3,710)
Administrative expenses		(8,613)	(7,893)
Other operating expenses		(627)	(581)
Share of results of associates	12	–	35
Finance costs	24	(2)	(2)
Profit before income tax	25	2,996	1,717
Income tax expense	26	(83)	(139)
Profit for the year		2,913	1,578
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign subsidiaries		24	1
Fair value (loss) gain on available-for-sale investments			
Gains arising during the year		(8)	27
Reclassification to profit or loss from equity on disposal of available-for-sale investments		–	(14)
Other comprehensive income for the year		16	14
Total comprehensive income for the year		2,929	1,592
Earnings per share (cents):			
Basic and diluted	27	2.84	1.54

See accompanying notes to financial statements.



CONSOLIDATED STATEMENT CHANGES IN EQUITY

Year ended June 30, 2015

	Share capital	Currency translation deficit	Fair value adjustment surplus	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Balance at July 1, 2013	10,251	(137)	41	22,830	32,985
Total comprehensive income for the year					
Profit for the year	–	–	–	1,578	1,578
Other comprehensive income for the year	–	1	13	–	14
Total	–	1	13	1,578	1,592
Dividends, representing transaction with owners, recognised directly in equity (Note 28)	–	–	–	(1,537)	(1,537)
Balance at June 30, 2014	10,251	(136)	54	22,871	33,040
Total comprehensive income for the year					
Profit for the year	–	–	–	2,913	2,913
Other comprehensive income for the year	–	24	(8)	–	16
Total	–	24	(8)	2,913	2,929
Dividends, representing transaction with owners, recognised directly in equity (Note 28)	–	–	–	(1,537)	(1,537)
Balance at June 30, 2015	10,251	(112)	46	24,247	34,432



CONSOLIDATED STATEMENT CHANGES IN EQUITY

Year ended June 30, 2015

	Share capital \$'000	Fair value adjustment surplus \$'000	Accumulated profits \$'000	Total \$'000
Company				
Balance at July 1, 2013	10,251	41	21,006	31,298
Total comprehensive income for the year				
Profit for the year	–	–	1,701	1,701
Other comprehensive income for the year	–	13	–	13
Total	–	13	1,701	1,714
Dividends, representing transaction with owners, recognised directly in equity (Note 28)	–	–	(1,537)	(1,537)
Balance at June 30, 2014	10,251	54	21,170	31,475
Total comprehensive income or the year				
Profit for the year	–	–	3,337	3,337
Other comprehensive income for the year	–	(8)	–	(8)
Total	–	(8)	3,337	3,329
Dividends, representing transaction with owners, recognised directly in equity (Note 28)	–	–	(1,537)	(1,537)
Balance at June 30, 2015	10,251	46	22,970	33,267

See accompanying notes to financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2015

	Group	
	2015	2014
	\$'000	\$'000
Operating activities		
Profit before income tax	2,996	1,717
Adjustments for:		
Share of result of associates	–	(35)
Impairment loss on club membership	5	8
Depreciation of plant and equipment	632	545
Plant and equipment written off	1	6
Dividend income	(58)	(89)
Interest income	(46)	(29)
Loss on disposal of available-for-sale investments	–	10
Fair value loss of investment properties	150	–
Gain on disposal of investment in associate	(1,607)	–
Allowance for doubtful debts - trade receivables, net	90	47
Allowance for inventories	64	66
Net foreign exchange losses	36	6
(Gain) Loss on disposal of plant and equipment	(85)	11
Operating cash flows before movements in working capital	2,178	2,263
Trade receivables	(237)	612
Other receivables and prepayments	(243)	532
Inventories	(2,311)	(791)
Amount due from associates and related parties - net	(4)	(2)
Trade payables	643	126
Other payables	294	391
Cash generated from operations	320	3,131
Interest received	46	29
Income tax (paid) refunded	(135)	10
Net cash from operating activities	231	3,170



CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2015

	Group	
	2015	2014
	\$'000	\$'000
Investing activities		
Purchase of available-for-sale investments	–	(500)
Dividend income	59	189
Proceeds on disposal of available-for-sale investments	–	2,440
Proceeds on disposal of plant and equipment	214	4
Proceeds on disposal of investment in associate	3,400	–
Purchase of plant and equipment (Note A)	(1,163)	(1,067)
Net cash from investing activities	2,510	1,066
Financing activities		
Dividend paid	(1,537)	(1,537)
Repayment of the hire purchase facility	(10)	–
Cash used in financing activities	(1,547)	(1,537)
Net increase in cash and cash equivalents	1,194	2,699
Cash and cash equivalents at beginning of year	10,827	8,128
Cash and cash equivalents at end of year (Note 6)	12,021	10,827

Note A:

During the year, the group acquired plant and equipment (Note 15) for an aggregate amount of \$1,193,000 (2014: \$1,067,000) of which \$30,000 (2014: \$Nil) was acquired by means of hire purchase arrangement. Cash payment of \$1,163,000 (2014: \$1,067,000) were made to purchase plant and equipment.

See accompanying notes to financial statements.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

1 GENERAL

The company (Registration No. 198303940Z) is incorporated in Singapore with its principal place of business and registered office at 21 Ubi Road 1, #03-01, Singapore 408724. The company is listed on the main board of the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the company are the marketing of gifts, property investment and development and the operation of a franchise programme whereby franchisees will have the right to use the company's name, creative gift designs, and marketing, sales, operations and purchasing strategies and systems.

The principal activities of the subsidiaries and associates are disclosed in Notes 11 and 12 respectively.

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended June 30, 2015 were authorised for issue by the Board of Directors on September 7, 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50, and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On July 1, 2014, the group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/ revised FRSs and INT FRSs does not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

Impact of the application of FRS 112

FRS 112 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of FRS 112 has resulted in more extensive disclosures in the consolidated financial statements.

At the date of authorisation of these financial statements, the following new/revised FRSs and amendments to FRS that are relevant to the group and the company were issued but not effective:

- Improvements to Financial Reporting Standards (November 2014)
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*
- FRS 115 *Revenue from Contracts with Customers*
- FRS 109 *Financial Instruments*



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Management anticipates that the adoption of the above FRSs, INT FRS and amendments to FRSs in future periods is not expected to have a material impact on the consolidated financial statements of the group and the financial statements of the company in the period of their adoption except for the following:

Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

The amendments have been made to the following:

- Materiality and aggregation - An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.
- Statement of financial position and statement of profit or loss and other comprehensive income - The list of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.
- Presentation of items of other comprehensive income ("OCI") arising from equity-accounted investments - An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single items based on whether or not it will subsequently be reclassified to profit or loss.
- Notes - Entities have flexibility when designing the structure of the notes and guidance is introduced on how to determine a systematic order of the notes. In addition, unhelpful guidance and examples with regard to the identification of significant accounting policies are removed.

Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative* will take effect from financial years beginning on or after January 1, 2016.

Management is still currently evaluating the impact from applying the new amendments to FRS 1.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related interpretations when it becomes effective.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. More prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

FRS 115 will take effect from financial years beginning on or after January 1, 2017.

Management is still currently evaluating the impact from applying the new FRS.

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement*, and introduced new requirements for (i) classification and measurement of financial assets and financial liabilities, (ii) general hedge accounting, (iii) impairment requirements for financial assets.

Key requirements for FRS 109 that may be relevant to the group and the company:

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

FRS 109 will take effect from financial years beginning on or after January 1, 2018.

Management is still currently evaluating the impact from applying the new FRS.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and entities (including structured entities) controlled by the company and its subsidiaries. Control is achieved when the company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

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

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Changes in the group's ownership interests in existing subsidiaries

Changes in the group's ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the group to the former owners of the acquiree, and equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

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

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

The accounting policy for initial measurement of non-controlling interests is described above.

The policy described above is applied to all business combinations that take place on or after January 1, 2010.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest rate basis for debt instruments.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets

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

Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Available-for-sale financial assets

Certain investments held by the group and company are classified as being available for sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, which are recognised directly in profit or loss. Where the investment is disposed or is determined to be impaired, the cumulative gain or loss previously recognised in the revaluation reserve is included in the profit or loss for the period. Dividends on available-for-sale instruments are recognised in the profit or loss when the group's and company's right to receive payments is established.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities and equity instruments (cont'd)

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings. All borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or expired.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contract liabilities are recognised initially at their fair values. Subsequent to initial recognition, the financial guarantee contract liabilities are measured at the higher of: (i) the amount determined in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 18 *Revenue*.

INVENTORIES - Inventories are stated at the lower of cost (determined on a first-in, first-out basis) and net realisable value. Cost comprises the original purchase price plus cost incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all costs to be incurred in marketing, selling and distribution.

CLUB MEMBERSHIP - Club membership is held on a long term basis, which is stated at purchase cost less accumulated impairment loss.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PLANT AND EQUIPMENT - Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

	Years
Computers	- 3 to 8
Leasehold improvements	- 3 to 20
Furniture and fittings	- 2.5 to 8
Motor vehicles	- 5 to 7
Equipment	- 2 to 8

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

INVESTMENT PROPERTIES - Investment properties are held on a long-term basis for investment potential and to earn rental income. Investment properties are measured initially at cost, including transaction cost and measured subsequently at fair values at the end of the reporting period. Any gain or loss arising from changes in the fair value of an investment property is recognised in profit or loss for the period in which it arises.

Any gain or loss on the disposal of an investment property is recognised in the profit or loss in the period of disposal.

The fair values of the group's investment properties are revalued at reporting date on a systematic basis based on management's valuation. Management's valuation is based on valuations from independent professional valuers with reference to recent transactions of similar properties in the vicinity.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS - At the end of each reporting period, the group reviews the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

ASSOCIATES - An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. When the group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the group retains an interest in the former associate and the retained interest is a financial asset, the group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued and the fair value of any retained interest and any proceeds from the disposal of a part interest in the associate is included in the determination of the gain and loss on disposal of the associate. In addition, the group accounts of all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets and liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets and liabilities, the group reclassifies the gain or loss from the equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The group continues to use equity method when an investment in an associate becomes an investment in joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the group reduces its ownership interest in an associate company but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with its associate of the group, profits and losses resulting from the transactions with the associate are recognised in the group's consolidated financial statements only to the extent of interests in the associate that are not related to the group.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs 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.

The group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

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

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

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

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

Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the relevant lease.

Interest income

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

Dividend income

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

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

GOVERNMENT GRANTS - Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the company whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The company has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis. Current and deferred tax are recognised as an expense or income in profit or loss.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the company are presented in United States Dollars, which is the functional currency of the company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in United States Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity, shall be reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash on hand, bank balances and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the group's accounting policies

There are no critical judgements, apart from those involving estimations (see below), that the management has made in the process of applying the group's accounting policies for the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Allowance for trade and other receivables

The allowance policy for doubtful debts of the group is based on the ongoing evaluation of collectability and ageing analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assigning the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customer of the group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amount of the trade and other receivables at the end of the reporting period are disclosed in Notes 7, 8 and 9 to the financial statements.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) Allowance for inventories

Inventories are valued at the lower of cost or net realisable value. The group reviews its inventories levels in order to identify slow-moving and obsolete merchandise as well as assessing if net realisable value is lower than its carrying amount. Where the group identifies slow-moving and obsolete merchandise, or items of inventories with a net realisable value that is lower than its carrying amount, the group estimates the amount of inventories loss as allowance on inventories.

The carrying amount of the inventories at the end of the reporting period is disclosed in Note 10 to the financial statements.

(c) Impairment of investment in subsidiaries and associates

The company assesses at each reporting date whether there is an indication that the investment in subsidiaries and associates may be impaired. Should there be any indicator of impairment, the company will recognised the impairment loss up to the attributable share of net asset values.

The carrying amount of the investment in subsidiaries and associates at the end of the reporting period is disclosed in Notes 11 and 12 to the financial statements.

(d) Valuation of the investment properties

As described in Note 2 to the financial statements, investment properties are stated at fair value based on management's estimation, which is based on valuations performed by independent professional valuer with reference to recent transactions of similar properties in the vicinity. In determining the fair value, the valuer has determined the fair values with reference to recent transactions of similar properties in the vicinity. In relying on the valuation reports of the professional valuer, management has exercised judgement in arriving at a value which is reflective of the current market conditions.

The carrying amount of the investment properties based on their fair values at the end of the reporting period is disclosed in Note 16 to the financial statements.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Loans and receivables (including cash and cash equivalents)	13,889	12,349	11,886	10,469
Available-for-sale financial assets	1,236	1,244	1,236	1,244
Financial liabilities				
Payables at amortised cost	3,989	3,022	3,909	2,896
Finance leases	20	–	20	–

(b) *Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements*

The group and company do not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements.

(c) *Financial risk management policies and objectives*

The group's major financial instruments include trade receivables, deposits, available for sale financial assets, and trade and other payables. Details of these financial instruments are disclosed in respective notes to the financial statements. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate risk management measures are implemented on a timely and effective manner. The group does not hold or issue derivative financial instruments for speculative purposes.

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



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives (cont'd)*

(i) Foreign exchange risk management

The group is exposed to minimal foreign exchange rate risk as the purchases and sales are denominated in its respective functional currencies. Any movement in foreign exchange rate is unlikely to impact the results of the group materially.

(ii) Interest rate risk management

The group is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets only. Interest-bearing financial assets are mainly cash and balances with banks and other financial institutions (Note 6), trade receivables (Note 7) and finance leases (Note 19) which are all short term in nature. Therefore, any future variations in interest rates will not have significant impact on the results of the group.

(iii) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the group. The group manages this risk by selection of creditworthy customers and counterparties and by monitoring compliance of debtors and counterparties with their payment obligations. Cash deposits are placed with financial institutions of good credit standing.

The group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the end of the reporting period are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The group follows up on the payment status of each customer through the finance department, which actively monitors customer's payments relative to credit period extended to them and highlight matters requiring follow up action by management.

Further details of credit risks on trade receivables are disclosed in Note 7 to the financial statements.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives (cont'd)*

(iv) Liquidity risk management

The group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities.

Liquidity and interest risk analysis

Non-derivative financial liabilities

The group's and company's non-derivative financial liabilities are payables at amortised cost, which are non-interest bearing and finance leases, as disclosed in Note 4(a). The contractual maturity for these non-derivative financial liabilities are repayable on demand and less than one year, except for the non-current portion of accrued restoration costs which is disclosed separately in Note 18.

The maximum amount that the company could be forced to settle under the financial guarantee contract, financial support and interest-free loan as disclosed in Notes 29 and 30 to the financial statements, if the full amount is claimed by the counterparty to the guarantee and commitment, is \$3,451,000 (2014 : \$7,186,000). The earliest period that the guarantee and commitment could be called is within 1 year (2014 : 1 year) from the end of the reporting period. The company considers that it is more likely than not that no amount will be payable under these arrangements.

Non-derivative financial assets

The following tables detail the weighted average effective interest rates and the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the group and the company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial assets on the statement of financial position.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	More than 5 years	Adjustment	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
2015						
Non-interest bearing	–	8,085	–	–	–	8,085
Fixed interest rate instruments	1.53	5,893	–	1,255	(108)	7,040
Total		13,978	–	1,255	(108)	15,125
2014						
Non-interest bearing	–	9,241	–	–	–	9,241
Fixed interest rate instruments	1.68	3,160	–	1,265	(73)	4,352
Total		12,401	–	1,265	(73)	13,593
Company						
2015						
Non-interest bearing	–	6,082	–	–	–	6,082
Fixed interest rate instruments	1.53	5,893	–	1,255	(108)	7,040
Total		11,975	–	1,255	(108)	13,122
2014						
Non-interest bearing	–	7,669	–	–	–	7,669
Fixed interest rate instruments	1.77	2,850	–	1,266	(72)	4,044
Total		10,519	–	1,266	(72)	11,713



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives (cont'd)*

(vi) Derivative financial instruments

The group does not contract for derivative financial instruments.

(vii) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade receivables, deposits, other receivable, payables, finance leases and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

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

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

The following presents the assets measured at fair value (Level 1).

	Group and Company	
	2015	2014
	\$'000	\$'000
Available-for-sale investments	<u>1,236</u>	<u>1,244</u>

(d) *Capital risk management policies and objectives*

The group manages its capital to ensure that entities in the group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the equity balance.

The capital structure of the group consists of equity attributable to owners of the company, comprising issued capital and accumulated profits.

The management reviews the capital structure on an ongoing basis. The group's and the company's overall strategy remains unchanged from prior year.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

5 RELATED PARTY TRANSACTIONS

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2015	2014
	\$'000	\$'000
Short-term benefits	1,454	1,202
Post-employment benefits	61	58
Consultancy fee	93	42
Total	1,519	1,302

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

6 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	6,217	7,719	4,824	6,774
Fixed deposits	5,804	3,108	5,804	2,800
Total	12,021	10,827	10,628	9,574

Fixed deposits of the group and the company bear effective interest at an average rate of 0.83% (2014 : 0.43%) per annum and are for an average tenure of 107 days (2014 : 160 days). The fixed deposits are redeemable on demand and the penalty for early redemption is insignificant.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

7 TRADE RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Outside parties	1,656	1,471	768	732
Less: Allowance for doubtful debts	(261)	(223)	(114)	(91)
Net	1,395	1,248	654	641

The average credit period is 45 days (2014 : 45 days). Interest rate of 1% (2014 : 1%) per month is charged on the overdue balance.

The table below is an analysis of trade receivables as at June 30:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Not past due and not impaired	561	584	251	295
Past due but not impaired (i)	834	664	403	346
Impaired receivables - collectively assessed (ii)	261	223	114	91
Less: Allowance for doubtful debts	(261)	(223)	(114)	(91)
	-	-	-	-
Total trade receivables, net	1,395	1,248	654	641

A majority of the group's and company's trade receivables that are neither past due nor impaired are creditworthy counterparties with good track record of credit history.

Included in the group's and company's trade receivable balances are debtors with a carrying amount of \$834,000 and \$403,000 (2014 : \$664,000 and \$346,000) respectively which are past due at the reporting date for which the group and company have not provided as there have not been a significant change in credit quality and the amounts are still considered recoverable. The group and company do not hold any collateral over these balances.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

7 TRADE RECEIVABLES (cont'd)

- (i) Aging of receivables that are past due the average credit period but not impaired:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
> 45 days to 3 months	318	290	144	132
3 months to 6 months	455	294	224	139
6 months to 12 months	61	80	35	39
> 12 months	–	–	–	36
Total	834	664	403	346

- (ii) These amounts are stated before any deduction for impairment losses and are not secured by any collateral or credit enhancements.

Movement in the allowance for doubtful debts:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the year	223	286	91	108
Charge to profit or loss	93	61	66	11
Amounts recovered during the year	(3)	(14)	–	–
Written-off against trade receivables	(43)	(108)	(43)	(28)
Exchange difference	(9)	(2)	–	–
Balance at end of the year	261	223	114	91



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

8 RELATED COMPANIES, ASSOCIATES AND RELATED PARTIES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<u>DUE FROM</u>				
Subsidiaries:				
Trade	-	-	196	210
Non-trade	-	-	633	448
	-	-	829	658
Less: Allowance for doubtful debts	-	-	(632)	(501)
Net	-	-	197	157
Associates:				
Trade	-	50	-	50
Less: Allowance for doubtful debts	-	(50)	-	(50)
Net	-	-	-	-
Total - Due from	-	-	197	157



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

8 RELATED COMPANIES, ASSOCIATES AND RELATED PARTIES (cont'd)

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Movement in allowance for doubtful debts - Subsidiaries:				
Balance at beginning of year	-	-	501	657
Charge (Credit) to profit or loss	-	-	131	(156)
Balance at end of year	-	-	632	501
Movement in allowance for doubtful debts - Associates:				
Balance at beginning of year	50	50	50	50
Written off against receivables	(50)	-	(50)	-
Balance at end of year	-	50	-	50
<u>DUE TO</u>				
Subsidiaries:				
Trade	-	-	5	7
Non-trade	-	-	992	993
Associates:				
Trade	49	53	-	-
Total - Due to	49	53	997	1,000

The above balances are unsecured, interest-free and repayable on demand.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

9 DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Deposits	447	151	383	72
Prepayments	167	123	115	67
Other receivables	26	123	24	25
Total	640	397	522	164

The other receivables are interest-free and repayable on demand and the average age of these receivables is less than 30 days.

10 INVENTORIES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Liquor	2,288	1,789	1,330	1,011
Gifts and accessories	3,228	1,480	2,403	678
Total	5,516	3,269	3,733	1,689

This is stated after allowance for obsolescence as follows:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	119	209	55	54
Charge to profit or loss	64	66	48	55
Written-off against inventories	(66)	(156)	(49)	(54)
Balance at end of year	117	119	54	55

Allowance for inventories have been estimated based on the age, historical and expected future usage of inventories.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

11 SUBSIDIARIES

	Company	
	2015	2014
	\$'000	\$'000
Unquoted equity shares, at cost	4,561	4,561
Less: Allowance for impairment	(1,470)	(1,486)
Net	<u>3,091</u>	<u>3,075</u>
Movement in the allowance for impairment:		
Balance at beginning of the year	1,486	1,149
(Credit) Charge to profit or loss	(16)	337
Balance at end of the year	<u>1,470</u>	<u>1,486</u>

A reversal of impairment loss recognised of \$16,000 (2014: impairment allowance of \$337,000) was recognised during the year in respect of the company's investments in its subsidiaries based on the fair value less cost to sell which is estimated based on the net tangible asset of the subsidiaries. The impairment (reversal) charge is eliminated on consolidation.

Significant transactions with subsidiaries:

	Company	
	2015	2014
	\$'000	\$'000
Sales of goods	(774)	(1,030)
Franchise income	-	(9)
Management fee	(509)	(579)
SAP maintenance fee	(62)	(62)
Purchases of goods	<u>116</u>	<u>128</u>



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

11 SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows:

Subsidiaries	Effective equity interest and voting power held		Cost of investment		Principal activities/ Country of incorporation and operations
	2015	2014	2015	2014	
	%	%	\$'000	\$'000	
Humming Flowers & Gifts Pte Ltd ⁽¹⁾	100	100	2,000	2,000	Selling of hampers, flowers and gifts/ Singapore
Noel Gifts Malaysia Sdn. Bhd. ⁽²⁾ [formally known as Noel Hampers & Gifts (Penang) Sdn. Bhd.]	100	100	833	833	Selling of hampers, flowers and gifts/ Malaysia
Noel Hampers & Gifts (Johore) Sdn. Bhd. ⁽²⁾	90	90	537	537	Selling of hampers, flowers and gifts/ Malaysia
Noel Property Development Pte Ltd ⁽³⁾	100	100	1,003	1,003	Property investment and development (currently dormant)/ Singapore
Noel Gifts (Chengdu) Co. Pte Ltd ⁽³⁾	100	100	188	188	Selling of hampers, flowers and gifts/ People's Republic of China
Total			<u>4,561</u>	<u>4,561</u>	

Notes on auditors:

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by other firms of auditors.

(3) Unaudited management accounts were used for consolidation as the subsidiary is not material to the group.

There were no non-wholly owned subsidiary of the group that have material non-controlling interests.

Financial support given to a subsidiary of the group is disclosed in Note 29 (b).



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

12 ASSOCIATES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Unquoted equity shares, at cost	244	1,244	244	1,244
Less: Allowance for impairment	–	–	(244)	(244)
Net	244	1,244	–	1,000
Share of post-acquisition (loss) reserves, net of dividend received	(216)	581	–	–
Carrying amount	28	1,825	–	1,000
Movement in the allowance for impairment:				
Balance at beginning of the year	–	–	244	244
Written-off	–	–	–	–
Balance at end of the year	–	–	244	244
Significant transactions with associates:				
Management fee income	5	21	5	21



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

12 ASSOCIATES (cont'd)

The details of the associates are as follows:

Associates	Effective equity interest and voting power held		Cost of investment		Principal activities/ Country of incorporation and operations
	2015	2014	2015	2014	
	%	%	\$'000	\$'000	
First Balmoral Development Pte Ltd ⁽¹⁾	–	25	–	1,000	Property development/ Singapore
Noel Hampers & Gifts (K.L.) Sdn. Bhd. ⁽²⁾	40	40	244	244	Selling of hampers, flowers and gifts/ Malaysia
Total			244	1,244	

Notes on auditors:

⁽¹⁾ Audited by other firm of auditors. In year 2014, for the purpose of equity accounting, the associate's audited financial statements for the year ended December 31, 2013 and unaudited management accounts for the six months ended June 30, 2014 were used for equity accounting purpose as the associate is not material to the group.

In October 3, 2014, the company sold its entire 25% holdings in First Balmoral Development Pte Ltd to Tiong Choon Holdings for a consideration of \$3.4 million. Hence as at June 30, 2015, First Balmoral Development Pte Ltd is no longer an associate of the group.

⁽²⁾ Unaudited management accounts were used for equity accounting purpose as the associate is not significant to the group.

Impairment loss had been recognised in the group's and company's profit or loss to provide for the associates, which had been incurring losses from their operations.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

12 ASSOCIATES (cont'd)

Summarised financial information in respect of each of the group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with FRS:

	First Balmoral Development Pte Ltd		Noel Hampers & Gifts (K.L) Sdn. Bhd.		Group	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	–	14,779	309	337	309	15,116
Non-current assets	–	14	26	29	26	43
Current liabilities	–	(7,618)	(263)	(286)	(263)	(7,904)
Non-current liabilities	–	(2)	(1)	(1)	(1)	(3)
Revenue	–	620	–	–	–	620
Profit for the year, representing total comprehensive income for the year	–	140	–	–	–	140
Group's share of associate's profit for the year	–	35	–	–	–	35
Net assets of the associate	–	7,173	71	79	71	7,252
Carrying amount of the group's interest in the associate	–	1,793	28	32	28	1,825



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

13 CLUB MEMBERSHIP

Golf club membership, at cost
Less: Impairment loss
Net

Movement in impairment loss:

Balance at beginning of year
Charge to profit or loss
Balance at end of year

Group and Company	
2015	2014
\$'000	\$'000
208	208
(48)	(43)
160	165
43	35
5	8
48	43

14 AVAILABLE-FOR-SALE INVESTMENTS

Quoted other investments, at fair value

Group and Company	
2015	2014
\$'000	\$'000
1,236	1,244

The investments offer the company the opportunity for return through dividend and capital gain. A fair value loss of \$8,000 (2014 : fair value gain of \$27,000) was recorded in the other comprehensive income.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

15 PLANT AND EQUIPMENT

	Computers \$'000	Leasehold improvements \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Equipment \$'000	Total \$'000
<u>Group</u>						
Cost:						
At July 1, 2013	1,761	520	140	910	418	3,749
Additions	136	511	140	6	274	1,067
Disposals	(82)	(356)	(33)	(20)	(111)	(602)
Written-off	–	–	(4)	–	(12)	(16)
Translation difference	(3)	(2)	(2)	(5)	(2)	(14)
At June 30, 2014	1,812	673	241	891	567	4,184
Additions	229	22	80	838	24	1,193
Disposals	–	–	–	(471)	–	(471)
Written-off	(6)	(38)	–	–	(2)	(46)
Translation difference	(8)	(9)	(6)	(12)	(5)	(40)
At June 30, 2015	2,027	648	315	1,246	584	4,820
Accumulated depreciation:						
At July 1, 2013	1,137	446	104	619	299	2,605
Depreciation for the year	277	85	27	84	72	545
Disposals	(81)	(356)	(31)	(8)	(111)	(587)
Written-off	–	–	(1)	–	(9)	(10)
Translation difference	(3)	(2)	(1)	(2)	(1)	(9)
At June 30, 2014	1,330	173	98	693	250	2,544
Depreciation for the year	296	108	46	107	75	632
Disposals	–	–	–	(342)	–	(342)
Written-off	(6)	(37)	–	–	(2)	(45)
Translation difference	(8)	(9)	(3)	(7)	(4)	(31)
At June 30, 2015	1,612	235	141	451	319	2,758
Carrying amount:						
At June 30, 2015	415	413	174	795	265	2,062
At June 30, 2014	482	500	143	198	317	1,640



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

15 PLANT AND EQUIPMENT (cont'd)

	Computers \$'000	Leasehold improvements \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Equipment \$'000	Total \$'000
<u>Company</u>						
Cost:						
At July 1, 2013	1,560	320	44	572	171	2,667
Additions	115	278	96	–	163	652
Disposal	(43)	(230)	(25)	–	(70)	(368)
Written-off	–	–	–	–	(7)	(7)
At June 30, 2014	1,632	368	115	572	257	2,944
Additions	195	16	53	656	17	937
Disposal	(6)	–	–	(426)	–	(432)
At June 30, 2015	1,821	384	168	802	274	3,449
Accumulated depreciation:						
At July 1, 2013	1,003	264	40	392	141	1,840
Depreciation for the year	240	52	17	55	30	394
Disposal	(43)	(230)	(25)	–	(70)	(368)
Written-off	–	–	–	–	(5)	(5)
At June 30, 2014	1,200	86	32	447	96	1,861
Depreciation for the year	249	67	25	68	34	443
Disposal	(6)	–	–	(314)	–	(320)
At June 30, 2015	1,443	153	57	201	130	1,984
Carrying amount:						
At June 30, 2015	378	231	111	601	144	1,465
At June 30, 2014	432	282	83	125	161	1,083

There were no pledged assets and securities as at June 30, 2015 and 2014.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

16 INVESTMENT PROPERTIES

	Group and Company	
	2015	2014
	\$'000	\$'000
At beginning of the year	15,975	15,945
Addition	–	30
Loss from fair value adjustments	(150)	–
At end of the year	<u>15,825</u>	<u>15,975</u>
Comprises of:		
- Freehold land and building	14,126	14,126
- Leasehold property	1,699	1,849
Total at fair value	<u>15,825</u>	<u>15,975</u>

The property rental income earned by the group from its investment properties, freehold land and building of which are leased out under operating leases, amounted to \$540,000 (2014 : \$495,000) (Note 22). Direct operating expenses arising on the freehold land and building in the year amounted to \$187,000 (2014 : \$199,000).

The fair values of the group's and company's investment properties at June 30, 2015 and 2014 are arrived at on the basis of valuation review carried out by external professionals, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The valuations are determined based on market comparable approach that reflects recent transaction prices for similar properties in the vicinity. There has been no change to the valuation technique during the year.

The fair value of the group and company's investment properties as at June 30, 2015 is classified under Level 3 of the fair value hierarchy.

There were no transfers between the respective levels during the year.

The following table shows the significant unobservable inputs used in the valuation models:

Type	Valuation techniques	Unobservable inputs	Range (\$)
Freehold land and building	Direct comparison method	Transacted price of comparable properties	574 - 634 psf
Leasehold property	Direct comparison method	Transacted price of comparable properties	1,328 - 1,468 psf

Significant increases (decreases) in any of these inputs in isolation would result in significant increase (decrease) in fair value measurement.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

17 TRADE PAYABLES

The average credit period on purchases of goods is 45 days (2014: 45 days).

18 OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Accrual of operating expenses	2,322	1,983	1,535	1,255
Accrued operating lease incentives	178	212	125	149
Remuneration payable to directors	91	85	91	85
Tenancy deposits	96	96	96	96
Sundry payables	119	136	91	94
Total	<u>2,806</u>	<u>2,512</u>	<u>1,938</u>	<u>1,679</u>
Current payables	2,546	2,219	1,753	1,470
Non-current payables	260	293	185	209
	<u>2,806</u>	<u>2,512</u>	<u>1,938</u>	<u>1,679</u>

The group and company's non-current payables consist of the following:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Accrued restoration costs	115	115	84	84
Accrued operating lease incentives	145	178	101	125
	<u>260</u>	<u>293</u>	<u>185</u>	<u>209</u>

Accrued restoration costs relates to the estimated costs to be incurred to restore the current leased premise to its original condition at the end of the tenure of the lease in 2020. Accrued operating lease incentives relates to the aggregate benefit of operating lease incentive that is recognised over the lease term. The amounts relating to the accrued restoration costs and accrued operating lease incentives have not been discounted for the purpose of measuring accrued restoration costs, because the effect is not material.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

19 FINANCE LEASE

	Group and Company			
	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Amounts payable under finance lease:				
Within 1 year	21	–	20	–
Less: Future finance charges	(1)	–		
Present value of lease obligations	20	–		

The fair values of the company's finance lease obligations approximate their carrying amount.

The effective interest rates of the above lease is 4.95% (2014 : Nil%) per annum.

20 DEFERRED TAX LIABILITY

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	167	140	119	107
Charge to profit or loss (Note 26)	24	27	19	12
Balance at end of year	191	167	138	119

The balance comprises mainly the tax effect of the accelerated depreciation of plant and equipment.

21 SHARE CAPITAL

	Group and Company			
	2015	2014	2015	2014
	Number of ordinary shares		\$'000	\$'000
Issued and paid up:				
At beginning of year and end of year	102,476,024	102,476,024	10,251	10,251

The company has one class of ordinary shares which has no par value, one vote per share and carry a right to dividends when declared by the company.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

22 REVENUE

	Group	
	2015	2014
	\$'000	\$'000
Sale of goods	28,915	27,127
Rental income	540	495
Total	<u>29,455</u>	<u>27,622</u>

23 OTHER OPERATING INCOME

	Group	
	2015	2014
	\$'000	\$'000
Government grants	236	271
Dividends income from available-for-sale investments	59	89
Interest income	46	29
Gain on disposal of an associate	1,607	–
Gain on disposal of plant and equipment	85	–
Recycling of gain from equity on disposal of investments classified as available-for-sale	–	14
Others	81	98
Total	<u>2,114</u>	<u>501</u>

24 FINANCE COSTS

	Group	
	2015	2014
	\$'000	\$'000
Interest to non-related companies	–	1
Bank charges	2	1
Total	<u>2</u>	<u>2</u>



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

25 PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging (crediting):

	Group	
	2015	2014
	\$'000	\$'000
Employee benefit expense (including directors' remuneration)	8,523	7,874
Cost of defined contribution plans included in employee benefit expense	824	744
Cost of inventories included in cost of sales	13,378	12,320
Auditors' remuneration:		
Auditors of the company	67	65
Other auditors	6	6
Non-audit fees paid to:		
Auditors of the company	12	12
Other auditors	2	1
Directors' remuneration:		
Director of the company	629	515
Other directors	144	123
Directors' fees	91	91
Net foreign exchange losses	61	44
Depreciation of plant and equipment	632	545
Allowance for doubtful debts - trade receivables, net	90	47
Allowance for inventories	64	66
(Gain) Loss on disposal of plant and equipment	(85)	11
Fair value loss of investment properties	150	—
Impairment loss on club membership	5	8



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

26 INCOME TAX EXPENSE

	Group	
	2015	2014
	\$'000	\$'000
Current tax:		
Current year	64	148
Over provision in prior years	(5)	(36)
Deferred tax (Note 20)		
Current year	24	26
Underprovision in prior years	–	1
Income tax expense	<u>83</u>	<u>139</u>

Domestic income tax is calculated at 17% (2014 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2015	2014
	\$'000	\$'000
Profit before income tax	2,996	1,717
Less: Share of results of associates	–	(35)
	<u>2,996</u>	<u>1,682</u>
Income tax expense at statutory rate of 17% (2014 : 17%)	509	286
Tax effect of expenses/income that are not deductible (taxable) in determining taxable profit	(305)	44
Effect of different tax rate of subsidiaries operating in other jurisdictions	(12)	(7)
Tax effect of exempt income	(54)	(46)
Effect of unused tax losses and other timing differences not recognised as deferred tax assets	141	24
Utilisation of tax losses and other timing differences previously not recognised	(12)	(12)
Over provision in prior years	(5)	(35)
Tax incentive	(188)	(118)
Others	9	3
Income tax expense	<u>83</u>	<u>139</u>



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

26 INCOME TAX EXPENSE (cont'd)

The group has tax losses carry forward available for offsetting against future taxable income as follows:

	Group	
	2015	2014
	\$'000	\$'000
Amount at beginning of year	723	375
Currency translation difference	(52)	(11)
Adjustment to prior year	(131)	327
Amount arising during the year	81	80
Amount utilised in current year	(52)	(48)
Amount at end of year	569	723
Deferred tax benefit on above not recorded at 25% (2014 : 25%)	142	181

The group has other temporary differences available for offsetting against future taxable income as follows:

	Group	
	2015	2014
	\$'000	\$'000
Amount at beginning of year	16	—
Currency translation difference	(9)	—
Adjustment to prior year	95	—
Amount arising during the year	57	16
Amount utilised during the year	(33)	—
Amount at end of year	125	16
Deferred tax benefit on above not recorded at 25% (2014 : 25%)	31	4

Deferred tax benefits vary from the Singapore statutory tax rate as it includes deferred tax on overseas operation.

The realisation of the future income tax benefits from tax losses carryforward and other temporary differences is available for offsetting against future taxable income subject to the conditions imposed by law including the retention of majority shareholders as defined.

No deferred tax asset has been recognised in respect of unutilised tax losses and other timing differences due to unpredictability of future profit streams.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

27 EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the company is based on the following data:

	2015	2014
Earnings for the purposes of basic earnings per share (\$'000)	<u>2,913</u>	<u>1,578</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)	<u>102,476</u>	<u>102,476</u>
Earnings per share (cents) - Basic	<u>2.84</u>	<u>1.54</u>

There is no dilution as no share options were granted or outstanding during the financial year.

28 DIVIDENDS

In November 2013, a first and final dividend of 0.3 cents per share (total dividend \$307,000) and special dividend of 1.2 cents per share (total dividend \$1,230,000) was paid to shareholders in respect of the year ended June 30, 2013.

In November 2014, a first and final dividend of 0.3 cents per share (total dividend \$307,000) and special dividend of 1.2 cents per share (total dividend \$1,230,000) was paid to shareholders in respect of the year ended June 30, 2014.

In respect of the current year, the directors have proposed a first and final one-tier tax-exempt dividend of 0.6 cent per share totalling \$615,000 and a special dividend of 2.4 cent per share totalling \$2,459,000. This dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been provided for.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

29 CONTINGENT LIABILITIES

- a) The company has provided a corporate guarantee amounting to \$3,000,000 (2014 : \$3,000,000) in favour of a financial institution for securing banking facilities granted to its wholly-owned subsidiary, Humming Flowers & Gifts Pte Ltd.

In 2014, the company has provided a corporate guarantee amounting to \$1,875,000 in favour of a financial institution for securing term loans granted to First Balmoral Development Pte Ltd, the company's 25% owned associate. Following the disposal of the associate, the corporate guarantee has subsequently been discharged.

The company has provided a corporate guarantee amounting to \$78,000 (2014 : \$89,000) in favour of a financial institution for securing banking facility granted to its subsidiary, Noel Hampers & Gifts (Johore) Sdn Bhd.

The financial effects of FRS 39 relating to the financial guarantee contracts issued by the company are not material to the financial statements of the company and these are not recognised. The management do not expect material losses under these guarantees.

- b) The company had given undertaking to a subsidiary, Noel Gifts Malaysia Sdn. Bhd. to provide financial support to this subsidiary to enable it to operate as going concerns and to meet its obligations for at least 12 months from the financial year end. As at June 30, 2015, Noel Gifts Malaysia Sdn. Bhd. is in capital deficiency position of \$373,000 (2014 : \$222,000).

30 COMMITMENTS

- a) In 2014, the company has committed to provide an interest-free loan in proportion to the company's interest in an associate, First Balmoral Development Pte Ltd, amounting to \$2,000,000 as and when deemed required by the Board of Directors of the associate. As at the end of June 30, 2014, the associate has not drawn on the loan or other additional funding from the company.

Following the disposal of the associate, there is no commitment to the associate as of the end of the reporting period.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

31 OPERATING LEASE COMMITMENTS

a) Lessee's lease commitments

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Minimum lease payments under operating leases included in profit or loss	1,265	1,141	787	661

At the end of the reporting period, the commitments in respect of non-cancellable operating leases were as follows:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Within one year	1,129	1,022	819	718
In the second to fifth year inclusive	3,517	3,708	2,480	2,618
After five years	209	1,106	147	788
Total	4,855	5,836	3,446	4,124

The group and the company have various operating lease agreements for offices and warehousing facilities. Lease terms do not contain restrictions on the group's and the company's activities concerning dividends, additional debt or further leasing. Leases are negotiated and rentals are fixed for an average term of 3 to 7 years.

b) Lessor's lease commitment

At the end of the reporting period, the group and the company have contracted with tenants for the following future minimum lease payments as follows:

	Group and Company	
	2015	2014
	\$'000	\$'000
Within one year	353	461
In the second to fifth year inclusive	85	199
Total	438	660



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

32 SEGMENT INFORMATION

(a) Operating segments

The group determines its operating segments based on internal reports about components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The group is organised into business units based on their products and services on which information is prepared and reportable to the group's chief operating decision maker for the purposes of resources allocation and assessment of performance.

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of share of profits of associates, investment revenue and finance costs, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The group is principally engaged in two reportable segments, namely "Gifts and Properties". The Gifts segment relates to the marketing of gifts and operation of franchise programme. The Properties segment relates to property investment and development.



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

32 SEGMENT INFORMATION (cont'd)

(a) Operating segments (cont'd)

	Gifts \$'000	Properties \$'000	Group \$'000
<u>June 30, 2015</u>			
SEGMENT REVENUE AND RESULTS			
Revenue	<u>28,915</u>	<u>540</u>	<u>29,455</u>
Result:			
Segment result	1,219	(57)	1,162
Other operating income	402	1,612	2,014
Fair value loss of investment properties	–	(150)	(150)
Finance cost	(2)	–	(2)
Unallocated other operating income	–	–	100
Unallocated other expense	–	–	(128)
Profit before income tax			<u>2,996</u>
Income tax			<u>(83)</u>
Profit for the year			<u><u>2,913</u></u>
Other information:			
Capital expenditure on plant and equipment and investment properties	1,190	3	1,193
Depreciation	<u>601</u>	<u>31</u>	<u>632</u>
STATEMENT OF NET ASSETS			
Assets:			
Segment assets	10,956	15,878	26,834
Investment in associates	28	–	28
Unallocated assets			<u>12,021</u>
Total assets			<u><u>38,883</u></u>
Liabilities:			
Segment liabilities	4,076	111	4,187
Income tax payable			73
Deferred tax liability			<u>191</u>
Total liabilities			<u><u>4,451</u></u>



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

32 SEGMENT INFORMATION (cont'd)

(a) Operating segments (cont'd)

	Gifts \$'000	Properties \$'000	Group \$'000
<u>June 30, 2014</u>			
SEGMENT REVENUE AND RESULTS			
Revenue	<u>27,127</u>	<u>495</u>	<u>27,622</u>
Result:			
Segment result	1,107	224	1,331
Other operating income	365	21	386
Share of results of associates	–	35	35
Finance cost	(2)	–	(2)
Unallocated other operating income	–	–	115
Unallocated other expense	–	–	(148)
Profit before income tax			<u>1,717</u>
Income tax			<u>(139)</u>
Profit for the year			<u>1,578</u>
Other information:			
Capital expenditure on plant and equipment and investment properties	1,067	30	1,097
Depreciation	<u>515</u>	<u>30</u>	<u>545</u>
STATEMENT OF NET ASSETS			
Assets:			
Segment assets	7,910	16,028	23,938
Investment in associates	32	1,793	1,825
Unallocated assets			<u>10,827</u>
Total assets			<u>36,590</u>
Liabilities:			
Segment liabilities	3,124	110	3,234
Income tax payable			149
Deferred tax liability			<u>167</u>
Total liabilities			<u>3,550</u>



NOTES TO FINANCIAL STATEMENTS

June 30, 2015

32. SEGMENT INFORMATION (cont'd)

(b) Geographical segments

The group's two business segments are managed on a regional basis through three main geographical areas, namely Singapore, Malaysia and China. The group's revenue from external customers are analysed based on location of customers. Non-current assets are analysed by the geographical areas in which they are located.

	Revenue from external customers		Non-current assets	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Singapore	28,023	25,779	19,216	20,703
Malaysia	1,432	1,838	94	145
China	–	5	1	1
Total	29,455	27,622	19,311	20,849



CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance in complying with the benchmark set by the Code of Corporate Governance 2012 (“the Code”) so as to ensure greater transparency and protection of shareholders’ interests. This statement outlines the main corporate governance policies and practices adopted by the Company.

Board Matters

The primary role of the board of directors of the Company (the “Board”) is to protect and enhance long-term shareholder value. It sets the overall strategy for the Group and supervises the management of the Group (the “Management”). It is also responsible for the overall corporate governance of the Group including its strategic direction, establishing goals for Management and monitoring the achievement of these goals.

The Board is supported by the Audit Committee, the Nominating Committee and the Remuneration Committee.

The Board holds at least two meetings each year. It may, however, hold strategy meetings and/or extraordinary meetings to address any specific significant matters that may arise from time to time.

During financial year ended 30 June 2015, the Board held two meetings. The Directors’ attendance at those meetings is disclosed below:

Name of director	Board meetings attended
Mr Alfred Wong Siu Hong	2
Mr Freddie Heng Kim Chuan	2
Mr Koh Soo Keong	2
Ms Wong Phui Hong	2

Matters Requiring Board Approval

The Board meets to consider the following, without limitation, corporate events and/or actions:

- approval of half yearly results announcements;
- approval of the annual report and accounts;
- declaration of interim dividends and proposal of final dividends;
- approval of corporate strategy;
- authorisation of major investments and funding proposals;
- convening of shareholders’ meetings;
- other matters as may be considered by the Board from time to time.

Newly appointed directors will be briefed by the Board to familiarise them with the Group’s operations and strategic directions. Directors are provided with regular updates on the latest governance and listing policies.



CORPORATE GOVERNANCE

Board Composition and Balance

The Board now consists of four suitably qualified members, of whom two are independent directors, one non-executive director and one executive director. The Board has reviewed its composition and is satisfied that such composition is appropriate, given the background, qualifications and experience of its directors. Should the scope of business activities change, the board would invite more suitable candidates to join the board as well as to rotate the members at the right time. Key information on the directors is set out on pages 10 to 11 of Annual Report 2015.

Alfred Wong Siu Hong is both the Chairman of the Board and the Managing Director of the Group. The Board believes that in the case of the Group, the two roles complement each other. In addition, key business decisions will require the Board's approval, the Board is of the view that there are sufficient safeguards and checks to ensure that the management is accountable to the Board as a whole and there is a balance of power and authority. In terms of scheduling board meetings, setting meeting agenda, managing the flow of information to the Board and ensuring compliance, the Managing Director would be in the best position to carry them out effectively and efficiently since he is also involved in the day-to-day running of the business. The Managing Director is responsible to the Board for all corporate governance procedures to be implemented by the Group and ensures that management conforms to such practices.

The Board has appointed Mr Koh Soo Keong as the lead independent non-executive director to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the principal liaison on Board issues between the independent directors and the Chairman. He is available to shareholders where they have concerns which contact through the normal channels of the Executive Chairman and Managing Director or Finance Managers have failed to resolve or for which contact is inappropriate.

Board Committees

To assist the Board in the execution of its duties, the Board has delegated specific functions to the following committees:

Audit Committee ("AC")

The Audit Committee members are:

- Freddie Heng Kim Chuan, Chairman, Independent Director
- Koh Soo Keong, Independent Director
- Ms Wong Phui Hong, Non-Executive Director

The AC, regulated by a set of written terms of reference, comprises three members, the majority of whom, including its Chairman, are independent of management.

The Board is of the view that members of the AC are appropriately qualified to discharge their responsibilities and they have accounting and/or related financial management expertise or experience, as the Board interprets such qualification in its business judgement.



CORPORATE GOVERNANCE

The AC performs the following key functions:

- a) reviews the financial statements and recommends to the Board for approval;
- b) recommends to the Board the appointment and re-appointment of auditors and their fees for shareholders' approval and reviews the scope and results of the audit and its cost-effectiveness;
- c) reviews the independence and objectivity of the external auditors, at least annually; and
- d) reviews interested person transactions.

The AC ensures that a review of the effectiveness of the group's material internal controls, including financial, operational and compliance controls, is conducted at least annually. The Board is satisfied that existing controls are adequate.

The AC has free and independent access to the external auditors, and other senior management staff for information that it may require. It has full discretion to invite any director and executive officer to attend its meetings. The AC has also express power to investigate any matter brought to its attention, within its terms of reference, with the power to seek professional advice at the Company's expense. The AC has undertaken a review of all non-audit services provided by the external auditors and is satisfied that they would not affect the independence of the external auditors.

All members of AC attended the two meetings held during the financial year ended 30 June 2015 and have also met up with the external auditors in the absence of the management team in August 2015.

The Company's external auditors, carry out, in the course of their statutory audit, a review of the effectiveness of internal financial controls to the extent of their scope as laid out in the audit plan. Internal control weaknesses noted during their audit, and the auditors' recommendations, are reported to the AC. Management follows up on the auditor's recommendations as part of its role in the review of the Company's internal control systems.

The AC has reviewed the Company's risk assessment, and management controls in place, it is satisfied that there are adequate internal controls in the Company. The AC expects the risk assessment process to be a continuing process.

Management 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 within the Company's policies and strategies.

The external auditors, during the conduct of their normal audit procedures, may also report on matters relating to internal controls. Any material non-compliance and recommendation for improvement will be reported to the AC.

Based on the work performed by the external auditors, management control in place and a written assurance from the Managing Director, General Manager and the Country Finance Manager, including back-to-back assurances received from the respective departments, that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances are in accordance with the relevant standards, and (b) an effective risk management and internal control system have been put in place, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, are adequate to provide reasonable assurance of the integrity, effectiveness and efficiency of the Company in safeguarding its assets and shareholders' investments.



CORPORATE GOVERNANCE

The Group does comply with Rule 712, 715, and 716 of the SGX-ST Listing Manual in relation to its auditors. The AC recommended Deloitte & Touche LLP to the Board for re-appointment as external auditors of the Company.

For the year ended 30 June 2015, the remuneration paid or payable to the Group's external auditors for providing the audit and other non-audit services are set out on page 79 of the Annual Report.

Nominating Committee ("NC")

The members of the Nominating Committee are:

- Freddie Heng Kim Chuan, Chairman, Independent Director
- Koh Soo Keong, Independent Director
- Alfred Wong Siu Hong, Executive Director

There was one meeting held during the financial year ended 30 June 2015 which was attended by all the members.

The Company's Articles of Association require one-third of the directors to retire and subject themselves to re-election by shareholders at every Annual General Meeting ("AGM"). A retiring director is eligible for re-election by the shareholders of the Company at the AGM. The NC recommends that Mr Koh Soo Keong and Ms Wong Phui Hong be re-elected at the forthcoming AGM.

The terms of reference of the NC comprises:

- a) make recommendations to the Board on all board appointments;
- b) develop a process to assess the effectiveness of the Board and contribution by each director;
- c) on an annual basis, determine whether a director is independent;
- d) formulate guidelines to ensure a director having multiple board representations has sufficient time and attention devoted to the affairs of each company; and
- e) recommend re-nomination and re-election of director.

During the financial year, all directors are requested to complete a Board Evaluation Questionnaire to assess the overall effectiveness of the Board and evaluate the directors based on each director's self assessment and contribution. This self-assessment process takes into consideration, inter alia, attendance at meetings, maintenance of independence and disclosure of interested person transactions. The results of the exercise are reviewed by the NC for determining areas for improvement and enhancement of the Board effectiveness. The NC will also consider other performance criteria as set out in the Code.



CORPORATE GOVERNANCE

The NC has assessed the independence of the independent directors, Mr Freddie Heng Kim Chuan and Mr Koh Soo Keong after considering the recommendations set out in the Code. Notwithstanding that Mr Heng and Mr Koh have served the Board since year 1993 and 1999 respectively, the Board is fully satisfied that they have demonstrated complete independence, robustness of character and judgement as a Board member. Despite the 9 years time frame, Mr Heng and Mr Koh have continued to be and are deemed to be independent and have the requisite qualifications, experience and integrity as independent directors. The Board believes that Mr Heng and Mr Koh who have many years of business and financial experience are able to serve the present needs of the Group.

The Board, through the NC, will use its best efforts to ensure that directors appointed to the Board possess the necessary background, experience and knowledge critical to the Group's business and that each director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The Board has determined that no director may serve on the Board of more than 6 public listed companies. The Board views that multiple representations of the Directors do not hinder their ability to carry out their duties and will benefit the Company, as the Directors are able to bring with them the experience and knowledge obtained from such board representations in other companies.

Remuneration Committee ("RC")

The Remuneration Committee comprises:

- Koh Soo Keong, Chairman, Independent Director
- Freddie Heng Kim Chuan, Independent Director
- Alfred Wong Siu Hong, Executive Director

Although the Code provides that the RC should comprise entirely of non-executive directors; the Board is of the view that the Managing Director has objective and independent value adding opinions that are helpful inputs to the RC's deliberation and decision making.

The RC's principal functions are to:

- a) recommend to the Board, a framework of remuneration for the Board and key executives, and to determine specific remuneration packages for the executive director; and
- b) review senior executive remuneration and non-executive directors' fees annually.

In setting the remuneration packages, the RC takes into account the performance of the Group, as well as individual directors and key executives, aligning their interests with those of shareholders, and linking rewards to corporate and individual performance. Only non-executive directors are paid directors' fees. Directors' fees are proposed in accordance with a framework comprising basic fees and additional fees for serving on sub-committee of the Board. The Board recommends the payment of directors' fees to be approved at the forthcoming AGM.

The independent directors do not have any service contracts. The Company has a service-agreement with the Executive Director, namely Alfred Wong Siu Hong. The service agreement can be terminated by either party giving not less than three months' written notice.



CORPORATE GOVERNANCE

There was one physical meeting held during the financial year ended 30 June 2015 which were attended by all the members.

Remuneration Matters

The Group's remuneration policy is to provide compensation packages at market rates which will reward successful performance and attract, retain and motivate managers and directors.

The Group currently adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of variable bonus that is linked to the Company and individual performance.

The Board supports and is aware of the need for transparency. However, after deliberation the Board is of the view that full disclosure of the specific remuneration of each individual director and the key management executive who are not the director of the Company is not in the best interests of the Company and therefore shareholders. Inter alia, the Board has taken into account the very sensitive nature of the matter, the relative size of the Group, the highly competitive business environment the Group operates in and the irrevocable negative impact such disclosure may have on the Group.

Summary remuneration table for the directors of the Company for the financial year ended 30 June 2015 is set out below.

Name of Director	Directors' Fee %	Salary %	Bonus %	Other Benefits %	Total %
<i>Between S\$500,000 to S\$750,000</i>					
Alfred Wong Siu Hong	–	61%	33%	6%	100%
<i>Below S\$250,000</i>					
Wong Phui Hong	100%	–	–	–	100%
Freddie Heng Kim Chuan	100%	–	–	–	100%
Koh Soo Keong	100%	–	–	–	100%

The total remuneration in aggregate paid to the key management executives in the Company and its subsidiaries for the financial year ended 30 June 2015 was S\$702,000. In the interest of maintaining confidentiality, good morale and a strong spirit of team work within the Group, the Company is not disclosing the remuneration of the top 5 key management executives, who are the General Managers and the Branch Manager of the Group and believe that such disclosure may be prejudicial to its business interest given the highly competitive environment it is operating in.



CORPORATE GOVERNANCE

The details of the remuneration of an employee who is an immediate family member of a Director and whose remuneration exceeds S\$50,000 for the financial year ended 30 June 2015 are as follows:

Employee	Family relationship	Fixed Salary	Variable salary and bonus	Total
S\$50,000 to below S\$100,000				
Wong Lai Kuan Kim	Daughter of Alfred Wong (Managing Director)	76%	24%	100%
Wong Ho Hon Keith	Son of Alfred Wong (Managing Director)	69%	31%	100%

Key information on management staff is set out on pages 12 to 17 of Annual Report 2015.

The members of the RC do not have specialised knowledge in the field of executive compensation. However, they have gained experience in this area via managing the business and/or the human resource matters of the Group and companies outside the Group. If any of the members require independent professional advice, such professional fees would be borne by the Company. Moreover, they may also liaise with the management, and may consult other employees and seek additional information if required.

Accountability and Audit

The Management is required to provide timely and adequate information to the Board on affairs and issues that require the Board's attention including reports on operational and financial matters. In order to fulfill its responsibilities, the Management provides the Board with management information such as feasibility studies, reports and accounts on a timely basis prior to each Board meeting. In addition, all relevant information on material events and transactions are circulated to directors as and when they arise. Hence the Board is of the opinion that, under the present arrangement, management information provided to the Board is sufficient and timely for it to perform its duties effectively.

The Board has separate and independent access to management staff at all times.

The Company Secretary and/or agents attend all board meetings and are responsible to ensure that board procedures are followed. Together with the management staff, the Company Secretary is responsible for compliance with all other rules and regulations which are applicable to the Company.

The Company Secretary ensures that queries made by the directors are answered promptly by the Management. Where the directors, either individually or as a group, in the furtherance of their duties, require professional advice, the Company Secretary can assist them in obtaining independent professional advice, at the Company's expense. The Board members have separate and independent access to the Company Secretary at all times.



CORPORATE GOVERNANCE

Communication with Shareholders

The Company communicates with its shareholders through the Annual Report, AGM and Extraordinary General Meetings, shareholders' circulars and SGXNET announcements through the SGX. The Company does not practice selective disclosure and releases all price-sensitive information through SGXNET.

At general meetings, shareholders are given opportunity to express their views and ask questions regarding the Group and its businesses. The Articles of Association of the Company allow a member of the Company to appoint up to 2 proxies to attend and vote instead of the member.

The Company ensures separate resolutions are proposed at general meetings on each distinct issue. The external auditors, the chairpersons of the various Board Committees are present to assist the Directors in addressing any relevant queries by shareholders.

The Company adheres to the guidelines set by the Board for dividend payment. In addition, the amount of dividends will also depend on the general financial condition, cash flow, future expansion and investment plans and other factors as the directors may deem appropriate.

Whistle Blowing Policy

The Company has established the whistle blowing procedure where employees within the Group may raise concerns about possible improprieties in matters of business activities, financial reporting and unethical or illegal conduct through well defined and accessible channels. To ensure independent investigation of such matters and for appropriate follow up action, all whistle-blowing reports are sent to the independent directors of the Audit Committee.

Interested Person Transaction

The only interested person transaction during the year relates to the management fee (less than \$100,000) payable to Ms Wong Phui Hong, as an advisor of the Group.

Save as disclosed above, the Group does not have any interested person transaction in the financial year ended 30 June 2015 that is discloseable under Rule 920(1)(a)(iii) of the SGX-ST Listing Manual.

Material Contracts

No material contracts (including loans) of the Company or its subsidiaries involving the interests of the chief executive officer or any director or controlling shareholders subsisted at the end of the financial period or have been entered into since the end of the previous financial year.



CORPORATE GOVERNANCE

Dealings in Securities

The Company has adopted the best practices stipulated in Listing Rules 1207(19)(b) and 1207(19)(c) of the SGX-ST Listing Manual in relation to dealings in the Company's securities. Its directors and officers are not allowed to deal in the Company's shares on short-term considerations and during the period commencing one month before the announcement of the Company's half-year and full year results and ending on the date of the announcement of the results.

Directors and officers are also expected to observe laws governing insider trading at all times even when dealing with securities within permitted trading period.

Risk Management

The Group does not have a Risk Management Committee. However, the management regularly assesses and reviews the Group's business and operational environment in order to identify areas of significant business and financial risks as well as appropriate measures to control and mitigate these risks.



STATISTICS OF SHAREHOLDINGS

Size of Shareholdings

Size of Shareholdings	No. of Shareholders	Percentage	No. of Shares Held	Percentage
1 - 99	9	0.86%	210	0.00%
100 - 1,000	110	10.47%	74,880	0.07%
1,001 - 10,000	613	58.33%	2,588,747	2.53%
10,001 - 1,000,000	304	28.92%	16,515,938	16.12%
1,000,001 and above	15	1.43%	83,296,249	81.28%
	<u>1,051</u>	<u>100.00%</u>	<u>102,476,024</u>	<u>100.00%</u>

Issued share capital	:	S\$10,251,457.65
Number of shares	:	102,476,024
Class of shares	:	ordinary shares
Voting rights	:	one vote per share

Based on information available to the Company as at 31 August 2015, approximately 25.57% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Top Twenty Shareholders As At 31 August 2015

The percentage of the total holding of the twenty largest shareholders is approximately 84.82% and their names and numbers of shares held are:

S/No.	Name	No. of Shares	Percentage
1	WONG SIU HONG ALFRED	21,265,627	20.75%
2	ROYAL INST OF CONSTRUCTION ECONOMISTS PTE LTD	10,082,000	9.84%
3	LIM JULIAN	8,000,000	7.81%
4	WONG PHUI HONG	6,831,372	6.67%
5	ROYAL WORLD TRUST PTE LTD	5,091,000	4.97%
6	WONG HO HON KEITH	5,000,000	4.88%
7	WONG LAI KUAN KIM	5,000,000	4.88%
8	WONG LAI YEE KRISTINE (HUANG LIYI)	5,000,000	4.88%
9	TAN BIAN KIAN	4,500,000	4.39%
10	WONG KOON HONG	3,620,000	3.53%
11	TAN DENG ZHENG (CHEN DENGZHENG)	2,000,000	1.95%
12	TAN DENG ZHI (CHEN DENGZHI)	2,000,000	1.95%
13	TAN GEOK BEE	1,849,500	1.80%
14	LIM YEW LIAN	1,705,250	1.66%
15	OCBC NOMINEES SINGAPORE PTE LTD	1,351,500	1.32%
16	YAP BOH SIM	800,000	0.78%
17	WANG TONG PENG @WANG TONG PANG	777,000	0.76%
18	LOW CHOON KIAT PAUL	750,000	0.73%
19	DBS NOMINEES PTE LTD	694,750	0.68%
20	PHILLIP SECURITIES PTE LTD	604,000	0.59%
		<u>86,921,999</u>	<u>84.82%</u>



STATISTICS OF SHAREHOLDINGS

Substantial Shareholders

As shown in the Register of Substantial Shareholders

Name of Shareholders	No of Shares	
	Direct Interest	Deemed Interest
Alfred Wong Siu Hong	22,537,627	23,000,000 ¹
Lim Julian	8,000,000	22,537,627 ²
Wong Phui Hong	6,831,372	8,500,000 ³
Tan Bian Kian	4,500,000	6,831,372 ⁴
Wong Koon Hong	3,620,000	1,705,250 ⁵
Lim Yew Lian	1,705,250	3,620,000 ⁶
Royal Institute Of Construction Economists Pte Ltd	9,956,000	—

1 Mr Alfred Wong Siu Hong's deemed interest comprises 23,000,000 Shares held by following persons:-

- (i) 8,000,000 held by his wife, Mdm Lim Julian;
- (ii) 5,000,000 held by his daughter Miss Wong Lai Kuan Kim;
- (iii) 5,000,000 held by his son Mr Wong Ho Hon Keith; and
- (iv) 5,000,000 held by his daughter Miss Wong Lai Yee Kristine

2 Mdm Lim Julian is deemed to be interested in the shares held by her husband, Mr. Alfred Wong Siu Hong.

3 Ms Wong Phui Hong's deemed interest comprises 8,500,000 Shares held by following persons:-

- (i) 4,500,000 held by her husband Mr Tan Bian Kian;
- (ii) 2,000,000 held by her son Mr Tan Deng Zhi; and
- (iii) 2,000,000 held by her son Mr Tan Deng Zheng.

4 Mr. Tan Bian Kian is deemed to be interested in the shares held by his wife, Mdm Wong Phui Hong.

5 Mr Wong Koon Hong is deemed to be interested in the shares held by his wife, Mdm Lim Yew Lian.

6 Mdm Lim Yew Lian is deemed to be interested in the shares held by her husband, Mr. Wong Koon Hong.



PORTFOLIO HELD BY PROPERTY DIVISION

Held By	Existing Use	Location	Storeys / Unit no.	Area (sq ft)	Tenure	Unexpired term of lease
Noel Gifts International Ltd	Light	50 Playfair Road	#03-01	3,477	Freehold strata titles	–
	Industrial	Singapore 367995	#05-01	3,477		
			#06-01	3,477		
			#06-02	1,399		
			#06-03	1,970		
			#06-04	1,464		
			#07-01	3,466		
			#07-02	1,227		
			#07-03	1,970		
			#07-04	1,464		
				23,391		
Noel Gifts International Ltd	Residential	33 Rochester Drive Singapore 138638	#28-04	1,216	Leasehold	89



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Noel Gifts International Ltd (“the Company”) will be held at The Conference Room, 21 Ubi Road 1 #03-01 Singapore 408724 on Friday, 2 October 2015 at 9.00 a.m. for the following purposes: -

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements of the Company for the year ended 30 June 2015 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a first and final dividend of 0.6 cent (one-tier tax) and a special dividend of 2.4 cent (one-tier tax) per ordinary share for the year ended 30 June 2015 (2014: 1.5 cent). **(Resolution 2)**
3. To re-elect the following Directors retiring pursuant to Article 87 of the Company's Articles of Association:-
 - i) Mr Koh Soo Keong **(Resolution 3)**
 - ii) Ms Wong Phui Hong **(Resolution 4)**
4. To re-appoint Messrs Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors 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

6. To approve the payment of Directors' fees of S\$91,000/- for the year ended 30 June 2015 (2014: S\$85,000/-). **(Resolution 6)**



NOTICE OF ANNUAL GENERAL MEETING

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

7. Authority to allot and issue shares

"That pursuant to Section 161 of the Companies Act, Cap. 50 and subject to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to issue shares or convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that: -

- (i) the aggregate number of shares and convertible securities to be issued pursuant to this Resolution does not exceed 50 per cent. (50%) of the total number of issued shares excluding treasury shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to existing shareholders of the Company does not exceed 20 per cent. (20%) of the total number of issued shares excluding treasury shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the total number of issued shares excluding treasury shares shall be based on the total number of issued shares excluding treasury shares in the capital of the Company at the time this Resolution is passed, after adjusting for: -
 - a. new shares arising from the conversion or exercise of any convertible securities;
 - b. new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of SGX-ST; and
 - c. any subsequent consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and



NOTICE OF ANNUAL GENERAL MEETING

- (iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." [See Explanatory Note (i)]

(Resolution 7)

8. Renewal of Share Buy-Back Mandate

"That: -

- (i) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of: -

- a. market purchase(s) on the SGX-ST ("Market Purchase"); and/or
- b. off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act ("Off-Market Purchase"),

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buy-Back Mandate");

- (ii) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of: -

- a. the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- b. the date by which the share buy-backs are carried out to the full extent mandated; or
- c. the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;



NOTICE OF ANNUAL GENERAL MEETING

(iii) in this Resolution: -

“Maximum Limit” means the number of Shares representing 10 per cent. (10%) of the issued ordinary share capital of the Company as at the date of the passing of this Resolution; and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commissions, applicable goods and services tax and other related expenses) which shall not exceed: -

- a. in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price; and
- b. in the case of an Off-Market Purchase, pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) consecutive market days on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after such five (5) market day period;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from holders of Shares, stating therein the purchase price (which shall not be greater than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

“market day” means a day on which the SGX-ST is open for trading in securities.

(iv) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.” [See Explanatory Note (ii)]

(Resolution 8)



NOTICE OF ANNUAL GENERAL MEETING

Notice of Books Closure and Dividend Payment Date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Noel Gifts International Ltd (the “Company”) will be closed for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company’s Share Registrar, Intertrust Singapore Corporate Services Pte Ltd, 3 Anson Road, #27-01 Springleaf Tower, Singapore 079909 up to 5.00 p.m. on 14 October 2015 will be registered to determine shareholders’ entitlements to the said dividends.

Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares at 5.00 p.m. on 14 October 2015 will be entitled to the proposed dividends.

Payment of the dividends, if approved by the members at the Annual General Meeting to be held on 2 October 2015 will be made on 23 October 2015.

By Order of the Board
Ms Wong Phui Hong
Company Secretary
Singapore: 16 September 2015

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company.
2. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 21 Ubi Road 1 #03-01 Singapore 408724 not less than forty-eight (48) hours before the time for holding the meeting.

Note to item no 3:

Mr Koh Soo Keong will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purpose of Rule 704(8) of Listing Manual of the Singapore Exchange Securities Trading Limited.

Note to Resolution 4

Ms Wong Phui Hong will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will not be considered independent for the purpose of Rule 704(8) of Listing Manual of the Singapore Exchange Securities Trading Limited.



NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

- (i) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue new shares in the Company (whether by way of rights, bonus or otherwise). The number of shares which the Directors may issue under this Resolution shall not exceed 50% of the total number of issued shares excluding treasury shares in the capital of the Company. For issue of shares other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares to be issued shall not exceed 20% of the total number of issued shares excluding treasury shares in the capital of the Company. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated in accordance with Rule 806(3) of the SGX-ST Listing Manual as set-out in sub-paragraph (ii) of this Ordinary Resolution. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.
- (ii) The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of the above Meeting until the next Annual General Meeting to purchase or acquire up to 10% of the total number of issued ordinary shares excluding treasury shares in the capital of the Company as at the date of the passing of this Resolution. Details of the proposed Renewal of Share Buy-Back Mandate are set out in Appendix A.
 - (a) As at the date of this Notice, the Company has not purchased or acquired its shares. The amount of financing required for the Company to purchase or acquire its shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as this will depend on the number of shares purchased or acquired and the price at which such shares were purchased or acquired.
 - (b) The financial effects of the purchase or acquisition of shares by the Company pursuant to the proposed Renewal of Share Buy-Back Mandate on the Group's audited financial statements for the financial year ended 30 June 2015 are set out in Appendix A and are for illustration only.



NOEL GIFTS INTERNATIONAL LTD

(Company Registration No.: 198303940Z)
(Incorporated in the Republic of Singapore)

Important

1. For investors who have used their CPF monies to buy shares of Noel Gifts International Ltd, the Annual Report 2015 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.

PROXY FORM

*I/We, _____ (Name)

of _____ (Address)

being a member/members of the abovenamed Company, hereby appoint: -

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/her, the Chairman of the meeting as my/our proxy(ies) to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 2 October 2015 at 9.00 a.m. at The Conference Room, 21 Ubi Road 1 #03-01 Singapore 408724 and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting:

No.	Resolutions	For	Against
1.	Adoption of Directors' Report and Audited Financial Statements for the year ended 30 June 2015		
2.	Declaration of first & final dividend and a special dividend		
3.	Re-election of Mr Koh Soo Keong		
4.	Re-election of Ms Wong Phui Hong		
5.	Re-appointment of Messrs Deloitte & Touche LLP as Auditors and fixing their remuneration		
6.	Approval of Directors' fees amounting to S\$91,000/-		
7.	Authority to allot and issue new shares		
8.	Renewal of Share Buy-Back Mandate		

(Please indicate with a cross (X) in the space provided whether you wish your vote to be cast for or against the Resolutions as set out in the Notice of the Meeting.)

Dated this _____ day of _____ 2015.

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

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



IMPORTANT : PLEASE READ NOTES OVERLEAF

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 on his behalf. Such proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 21 Ubi Road 1 #03-01 Singapore 408724 not less than forty-eight hours (48) hours before the time appointed for the Annual General Meeting.
5. 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 common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
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 Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

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 a member whose Shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.



NOEL GIFTS INTERNATIONAL LTD

Company Registration No.198303940Z

21 Ubi Road 1 #03-01

Singapore 408724

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