epiCentre
Mac & More

TRUSTED LIFESTYLE PARTNER

ANNUAL REPORT 2015

This Annual Report has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The details of the contact person for the Sponsor are:

Name: ***Mr Lin Song, Registered Professional, RHT Capital Pte Ltd***
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Tel: +65 6381 6757

OUR VISION

Be a World Class Digital Lifestyle Brand in Asia.

OUR MISSION

We are committed to enrich the customer's digital lifestyle with World Class Experience, Innovative Value and Awesomely Great (EPIC) Hospitality.

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OUR VALUES

LEARNING
We, as a TEAM continuously, to improve our competency for greater fulfilment

ETHICS
We consistently act with integrity and fairness

OWNERSHIP
We act pridefully with accountability and speed

VIBRANCY
We enthusiastically work towards innovative solution

CORPORATE PROFILE

ABOUT EPICENTRE HOLDINGS LIMITED

Epicentre Holdings Limited ("Epicentre" or the "Group") is one of the fastest-growing and most prominent digital lifestyle companies in Singapore. Established in 2002 as the first Apple Premium Reseller ("APR") in the region, Epicentre is not only the longest-serving, but also one of the most-awarded APRs in Asia.

Epicentre has redefined the shopping experience for Apple consumers by offering a comprehensive range of Apple and Apple-related products as well as pre- and post-sale services in a one-stop lifestyle digital hub. The Group is emphatic on locating its stores within prime districts that experience heavy footfall and this has been a key catalyst to the Group's expansion both locally and regionally. Today, it operates 7 and 6 EpiCentre stores in Singapore and Malaysia (Kuala Lumpur) respectively, and 3 EpiLife stores in Singapore. It has plans to further extend its footprint within these cities.

Apart from retailing Apple and Apple-related products in EpiCentre stores, the Group also retails an extensive range of accessories in EpiLife concept stores *where Fashion meets IT*. The latter is a lifestyle chain that completes the shopping experience of the fashion-forward consumer. EpiLife also carries merchandise under iWorld, the Group's proprietary brand of accessories targeted at the young and trendy.

EpiCentre also believes in increasing productivity through a multi-channel point-of-sales strategy – both offline (retail) and online (e-commerce). Through e-commerce, EpiCentre seeks to continuously bring the convenience and safety of shopping online to its customers. EpiCentre has tie-ups with Paypal Taggo, RadicalRealms, DBS/MOCO and other learning institutions, which allows EpiCentre to tap on their resources to do market testing for its products. Currently, some of the products that EpiLife carries are also sold in EpiCentre's e-stores. These include a wide range of exclusive accessories, cases, headphones and styluses from top fashionable IT brands such as, Monster, JAYS, Belkin, Gosh, Klipsch, B&O and EpiCentre's house brand iWorld.

Over the years, the Group has achieved multiple awards for its sterling performance. Winner of the Singapore Promising Brand Award (SPBA) for three consecutive years since 2009 under the Promising Brands category, it took the title of Overall Winner in 2010, and was inducted into the SPBA – Hall of Fame in 2011. As a testament to the Group's commitment towards high service standards, Epicentre won the Singapore Retailers Association (SRA) Premium Service GEM Award in 2010, 2011 and 2012. In 2013, EpiCentre was named as the overall winner in the Prominent Category of the SME One Asia Awards 2013, which recognises businesses which have built a name for themselves in Singapore and have weathered the growing pains and are flourishing in their first decade of business. EpiCentre was awarded the Singapore Service Class (S-Class) in 2014, as recognition of its efforts in promoting service excellence by SPRING Singapore. In 2015, EpiCentre was among 17 leading companies to be nominated for the Singapore Service Excellence Medallion, which honours organisations which have stimulated a transformation in the local service industry and have raised the bar in service excellence. Since 2003, the Group has also bagged numerous accolades for its accomplishments as a partner of Apple. These include the honour of winning the Platinum Partner Award during the South Asia Conference 2010 and achieving Apple Best POS Asia from 2006 to 2008.

Epicentre was listed on the Catalist Board of the Singapore Exchange on 18 January 2008.

CHAIRMAN STATEMENT

DEAR SHAREHOLDERS

For the financial year ended 30 June 2015 ("FY2015"), the Group achieved revenue of $178.5 million, representing an increase of 3.6% from FY2014. Moving forward, we will continue to provide our customers with the best consumer shopping experience, and realise our vision of becoming the Best Digital Lifestyle Brand in Asia.

PUTTING THE FOCUS ON APPLE

As a leading Apple Premium Reseller (APR) in Singapore, EpiCentre's ethos has always centred on delivering the complete range of Apple products to its consumer market in Singapore.

EpiCentre was started in 2002 with a dream of establishing a dedicated Apple store to provide an all-inclusive retail experience that shares the benefits of Apple's quality products. Following the release of the iPhone 6 and iPhone 6 Plus in September 2014, the much awaited Apple Watch was launched on June 26, 2015 attracting a large number of consumers to our stores. There was an overnight queue of fans outside the EpiCentre store in Ion Orchard forming as early as the night before, as reported by The Straits Times[1]. As an avid Apple fan myself, I am passionate about the brand along with the products it offers. In line with that, I am pleased that EpiCentre continues to serve fellow Apple enthusiasts.

We are hopeful that the launch of the new iPhones in September will continue to keep Apple enthusiasts occupied and devoted to the brand. We have broadened and developed additional platforms users may visit to make their shopping experience simpler and more enjoyable. Moving forward, the Group aims to remain as a go-to destination for consumers seeking Apple merchandise.

DIVERSIFICATION OF REVENUE STREAMS

While EpiCentre is known in Singapore as a leading Apple Premium Reseller (APR) offering a complete range of Apple products, we are also a platform for complementary third-party brands delivering a broad spectrum of EpiCentre-exclusive complementary products. EpiCentre has been the preferred choice for new brand launches, especially as a key avenue for local brands to enter overseas markets, e.g. Kube, iTwin, iMuse etc.

We have put in place several initiatives to further increase the sales contribution of higher margin third-party brands going forward. Firstly, EpiCentre will implement a more focused and directed selling approach with a thematic focus. EpiLife products will be segmented into four (4) major categories: audio, entertainment, lifestyle & health and corporate to be more targeted. Secondly, we intend to adopt an omni-channel approach towards growing third-party products by capitalising on other sales channel such as e-commerce i.e. EpiLife e-store. Thirdly, we plan to collaborate with more partners to get referrals. For example, EpiCentre is working with corporates such as Marina Bay Sands (MBS) and Resorts World Sentosa, Singapore (RWS) to allow MBS and RWS members to utilise reward points earned at MBS and RWS for redemption at EpiCentre and EpiLife outlets.

Besides carrying Apple products and complementary third-party items, EpiCentre also has our own in-house brand, iWorld. EpiCentre has worked closely with OEMs to bring these under our iWorld brand. EpiCentre's venture into brand ownership will benefit EpiCentre in multiple ways. One benefit is the building of brand loyalty with our own in-house brand. Another advantage is that EpiCentre will enjoy speed-to-market with iWorld. For example, we have the ability to introduce new complementary accessories on the same day when a hit new product hits the market.

EPIAPP BRINGS AN ALL-NEW MOBILE SHOPPING EXPERIENCE

At this juncture, EpiCentre aims to continue serving the needs of its shoppers. We were among the first retailers to launch mobile commerce or more commonly known as m-commerce, so that users would find it more convenient to shop online. This included tie-ins with PayPal Taggo,

[1] http://www.straitstimes.com/singapore/fans-count-down-to-apple-watch-launch-in-overnight-queues

Radical Realms and DBS MOCO. Today, we have added on to our eStore, EpiLife, with an objective of increasing our reach to consumers through the use of mobile technology advancements. With that, we have launched the EpiApp where customers can benefit from up-to-the-minute updates and exclusives to better suit their needs. On this new mobile app, consumers would also acquire more information on promotions and the latest gadgets available at EpiCentre, earn EpiPoints and eVouchers, obtain prompt updates on daily sales and revel in an exclusive member markdown, amongst other privileges relating to the available merchandises and promotions at EpiCentre.

In relation to EpiApp, EpiCentre's most recent investment in Apple's iBeacon technology, a device that sends Bluetooth signals detectable by iOS software, allows us to send location-targeted updates, sales and content to every Apple user[2]. As part of EpiCentre's strategy in transforming the all-new mobile shopping experience, this supplements our membership programme where participants are able to earn points as soon as they walk into the store. By means of using one's iPhone or iPad, a shopper would similarly receive instant updates and location-targeted discounts sent to their mobile devices on promotions available at stores located near them. As an additional benefit of iBeacon, this cutting-edge technology customises content and campaigns to be personalised to individuals, based on their historical purchasing and favourites at the store. At EpiCentre, we always believe that customisation is vital to providing service excellence; hence, this form of technology fits the bill. At the moment, all EpiCentre stores are iBeacon enabled, and we are considering investing in an iBeacon payment system as well.

EpiCentre intends to strike a balance between offline and online channels as we continue to explore multichannel approaches. In 2013, we started by adding EpiCentre's Customer Relationship Management (CRM) system into our physical stores. In conjunction with that, EpiCentre has integrated our e-commerce site, EpiLife, in early 2014 and most recently, incorporated our mobile platform, EpiApp, with our CRM system and e-commerce site. With that, we hope to bring a seamless membership programme that encompasses both EpiCentre's online and offline channels. Together with iBeacon, EpiCentre is confident that these new strategic investments will be providing our consumers with a more enhanced shopping experience.

REINFORCING THE IMPORTANCE OF SERVICE EXCELLENCE

In line with providing customers with the full Apple product experience, we also focus on enhancing their shopping experience and our service quality. Last year, EpiCentre was awarded with the Singapore Service Class (S-Class) by SPRING Singapore in recognition for its efforts in promoting service excellence. The S-Class is the certification for organisations who have achieved the Business Excellence Niche Standard (Service), validating the management systems and processes that we have put in place to achieve service excellence at a national level.

Since 2011, we have started our Customer Centric Initiative (CCI) journey (a national initiative by SPRING Singapore), to implement best-in-class Service Excellence Management and Customer Relationship Management (CRM) practices & systems. We are glad that our hard work and commitment to service excellence have paid off.

This year, EpiCentre ranked among a total of 17 top organisations to be nominated for the Singapore Service Excellence Medallion, together with other established companies in the country. The prestigious accolade honours organisations which have stimulated a transformation in the local service industry and have raised the bar in service excellence. With that in mind, EpiCentre hopes to maintain our service delivery traditions through implementing more systems and platforms to better engage with our consumers.

Among the supplementary services EpiCentre offers, Epitude and EpiAcademy reflect our belief in providing a one-stop destination in providing quality services. Epitude resumes its operations as a rewards programme with the aim of customer retention and higher customer satisfaction while EpiAcademy provides beginner to intermediate levels of training by certified experts on how to be a Mac expert. Relating to that, the workshops available at EpiAcademy reflect our belief in delivering service quality standards where service staff is all trained to be customer-centric and to put their customers first.

LOOKING AHEAD

We expect the operating environment in the next 12 months to remain challenging. Nonetheless, the Group remains motivated to broaden its distribution network in existing markets and sales margins to improve following our new strategies and investments. The Group will continue to enhance its operational efficiency and monitor its operating expenses in the face of economic uncertainties and rising staff costs and premises expense.

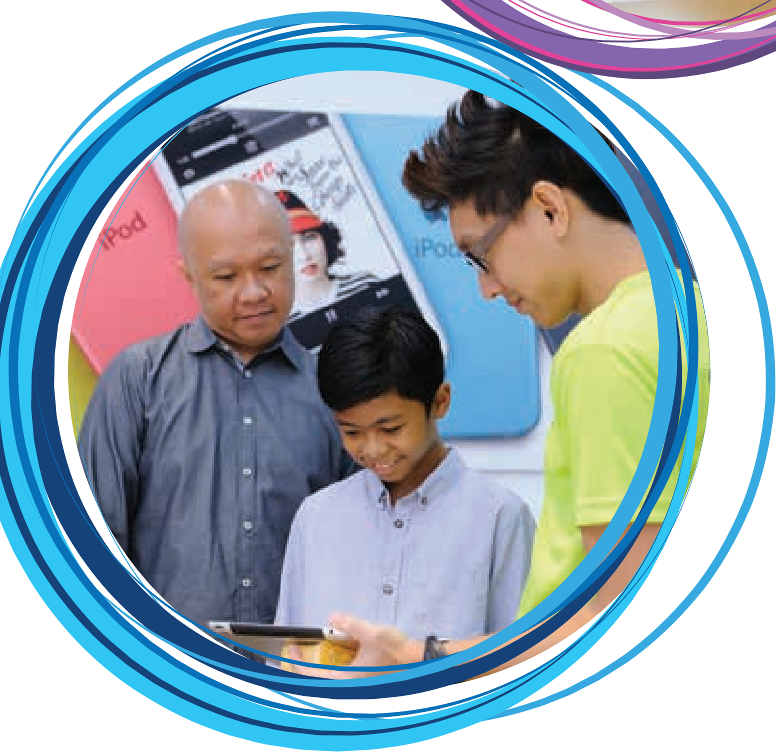
IN APPRECIATION

I am sincerely grateful to the management team and staff for their determination and commitment throughout the year. Adding to that, I would also like to recognise the efforts of our suppliers and business associates for their continuous support over the years, together with our loyal customers who have stood by us. My appreciation also goes out to my fellow Board members for their invaluable insights and guidance. We look forward to working together to create Asia's Best Digital Lifestyle Brand.

JIMMY FONG TECK LOON
Executive Chairman & Chief Executive Officer

[2] http://www.marketing-interactive.com/events/epicentre-made-location-based-technology-key-part-loyalty-programme/

OPERATIONS REVIEW



The Group achieved revenue of $178.5 million, representing a year-on-year ("y-o-y") increase of 3.6% for financial year ended 30 June 2015 ("FY2015"). The increase in revenue was largely contributed by the launch of iPhone 6 in 1H2015 as well as the Group's strategy to focus on improving sales in existing markets. The Group maintained its sales growth although partially offset by the increase in price competition, closure of retail stores, downtime due to renovation of stores and generally poor retail sentiments. Revenue from Singapore increased by 4.9% yoy to $145.6 million, accounting for approximately 82% of the Group's revenue for FY2015; while revenue from Malaysia declined by 2.0% yoy to $32.9 million, contributing approximately 18% of the Group's revenue for FY2015.

REVENUE BREAKDOWN BY PRODUCTS

Despite the growth in revenue, gross profit decreased by $0.3 million, from $17.1 million to $16.8 million. This was mainly attributable by the decline in gross profit margin from 9.9% in FY2014 to 9.4% in FY2015. In FY2015, sales mix for Apple products and the Third Party Products ("3PP") was 90% and 10% respectively, the same sales mix was reported in FY2014. The margin from the sale of 3PP was lower in FY2015 compared to a year ago. The aggressive bundling and promotions that was undertaken by the Group during FY2015 also contributed to the decrease of the overall gross profit margin.

Total operating expenses decreased 4.1% yoy to $21.2 million for FY2015, mainly due to a 1.9% decline in administrative expenses and a 14.8% reduction in selling and distribution costs.

Administrative expenses decreased by $346,000 in FY2015 as compared to FY2014. The decrease was mainly due to the decrease in staff cost, depreciation and amortization expenses, rental and related expenses and business development, offsetting higher net provision for inventory impairment and higher exchange loss in FY2015 as compared to FY2014 due to the weakening in Malaysia Ringgit.

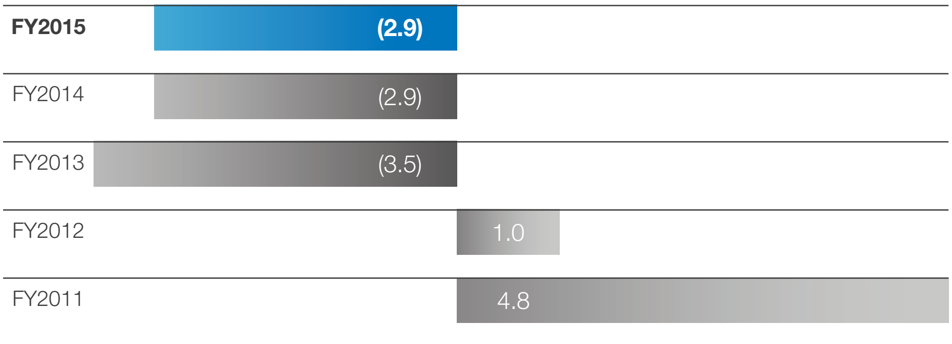
Selling and Distribution cost decreased by $556,000 in FY2015, as compared to FY2014. This was due to the success in managing our advertising and promotion expenses during the current financial year.

Arising from the above, the Group suffered a net loss of $2.9 million for FY2015, as compared to a net loss of $2.9 million in FY2014.

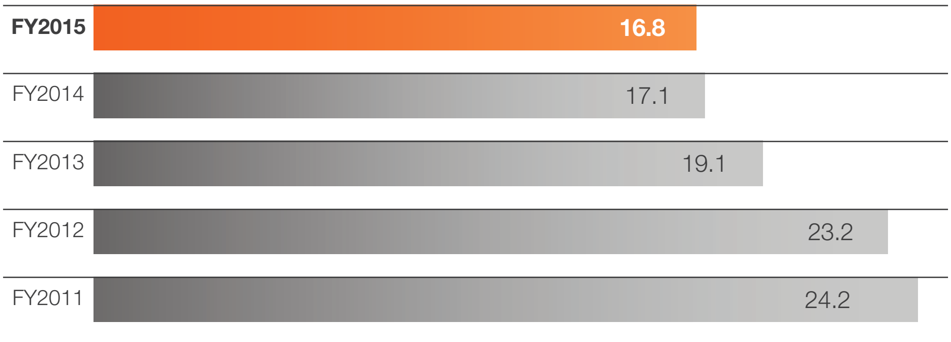
FINANCIAL HIGHLIGHTS

REVENUE ($M)

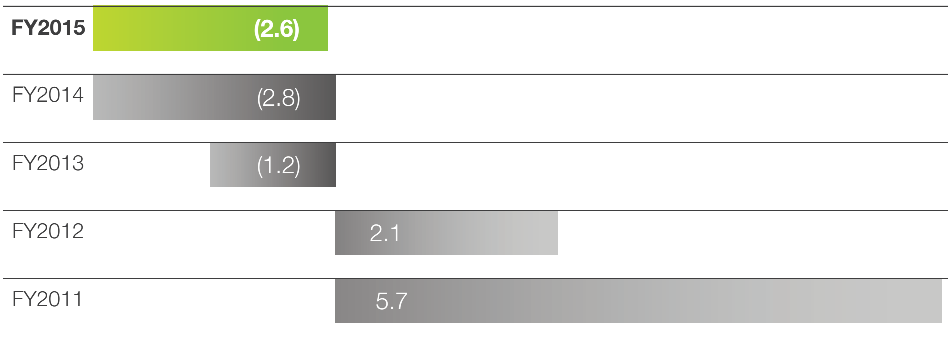
NET (LOSS)/ PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT ($M)



GROSS PROFIT ($M)



(LOSS)/PROFIT BEFORE TAX ($M)



AWARDS AND ACHIEVEMENTS

1 **Singapore Retailers Association (SRA)**
Premium Service GEM Award 2015

2 **SME One Asia Awards 2013**
Overall Winner in Prominent Category

3 **Singapore Retailers Association (SRA)**
Premium Service GEM Award 2013

4 **Singapore Prestige Brand Award 2011**
Hall of Fame 2011
Promising Brand Winner

5 **The Entrepreneur of the Year 2011**
A Rotary – ASME Award
Overall Winner

6 **The Entrepreneur of the Year 2011**
A Rotary – ASME Award
Winner of EYA for Info-Communications Technology

7 **Asia Pacific Entrepreneurship Awards 2011**
Outstanding Entrepreneurship Award

8 **Singapore Retailers Association (SRA)**
Premium Service GEM Award 2011

9 **Singapore Prestige Brand Award 2010**
Overall Winner, Promising Brand

10 **Apple South Asia Conference 2010**
Platinum Partner Award

11 **Singapore Retailers Association (SRA)**
Premium Service GEM Award 2010

12 **Singapore Prestige Brand Award 2009**
Promising Brand Winner

13 **Apple Top 3 Merchandising Award 2009**

14 **Apple Top APR POS Asia 2008**

15 **Apple Top POS Asia 2007**

16 **Apple Best POS Asia 2006**

17 **Best Apple Centre 2003**
Gold Singapore 2003

BOARD OF DIRECTORS

JIMMY FONG TECK LOON

Executive Chairman & Chief Executive Officer

Mr Fong is our Executive Chairman and Chief Executive Officer and was the founder of the Group. He began his career in 1991 and worked with Oversea-Chinese Banking Corporation as an IT systems auditor before moving on to hold various senior positions in blue-chip companies such as Citibank, Schlumberger Oilfield Services, Sun Microsystems and I.B.M. World Trade Asia Corporation. Prior to establishing our Company in 2002, he was the Director of Finance for the Asia Pacific region with Intensia Asia Pacific. Appointed to the Board on 9 April 2002, Mr Fong is responsible for setting the strategic direction, tracking the financial and profitability growth of the Group, as well as managing the business and overseeing all aspects of the daily operations of the Company. He holds a Bachelor of Commerce and Administration from the Victoria University of Wellington, and a Master of Business Administration from the Rutgers State University of New Jersey. He was recently awarded the Outstanding Entrepreneur Award at the Asia Pacific Entrepreneurship Awards 2011; Overall Winner and Winner of EYA for Info-Communications Technology 2011 at The Entrepreneur of the Year 2011 – a Rotary-ASME Award. He was re-elected as the Director on 29 October 2013.

BRENDA YEO

Executive Director

Ms Yeo is our Executive Director who was appointed to our Board on 21 February 2007. She was re-elected as a Director on 29 October 2013. She oversees the management of the Group. In 2005, she first joined our Group as a human resource executive and was promoted to a personal assistant in 2006. She holds a Diploma in Human Resource Management from the International Business and Management Education Centre.

SIOW CHEE KEONG JOSHUA

Lead Independent Director

Mr Siow is our Lead Independent Director and was appointed to our Board on 10 December 2007. He was re-elected as the Director on 29 October 2014. He has many years of audit and management experience in operations, business systems, information technology, finance and accounting with commercial and financial organisations in Canada, USA, England and Singapore. He is currently the Managing Director of JF Virtus Pte. Ltd. and offers audit, risk and consultancy services to listed companies. Mr Siow qualified as a Chartered Certified Accountant with the Association of Chartered Certified Accountants in 1981, a Certified Internal Auditor with the Institute of Internal Auditors Inc. in 1985, a Certified General Accountants with the Certified General Accountants of Canada in 1990 and is a member of the Institute of Singapore Chartered Accountants. He graduated from the University of Warwick, England, with a Master of Business Administration. Mr Siow is on the board of several listed and private companies, and is a member of the Singapore Institute of Directors.

RON TAN AIK TI

Independent Director

Mr Tan was appointed to our Board on 3 August 2010. He was re-elected as the Director on 29 October 2014. Mr. Tan is currently the Chief Executive Officer of Victory Hill Exhibitions LLC an exhibition product and development company who works closely with Marvel Studios Inc. to create, produce and exhibit the Marvel's Avengers Station Exhibition globally.

Mr Tan is also the International Director in the investment holdings company, First Alverstone Partners and he also sits in the Board as directors of other public and private companies in different parts of the world. Mr Tan also holds private investments in themed entertainment companies – one of which being Victory Hill Exhibitions – the exclusive partner of Marvel Inc. for The Avengers' Exhibition – titled 'Marvel's AVENGERS – Station Exhibit' – which opened in New York in May 2014.

He was also previously Executive Board Members of international entertainment companies such as EMS Holdings (one of the world's largest themed-exhibition intellectual properties producer in the world), Hi-5 World (a global pre-school entertainment group that was formerly owned by Endemol Group and Australia's NINE Television – with television broadcast presences in more than 220 countries), and BASE Entertainment Asia (the long-term content and management partner of Marina Bay Sands Group – MBS Singapore for its MasterCard theatres to develop, produce, program and manage live entertainment in MBS). Mr. Tan was appointed to the Board of EpiCentre since 2010. He was also the former Board of Director of SGX-listed retail, distribution and bed-linen company – Friven & Co. (now known as CCFH Ltd) in 2009.

In his earlier careers, Mr. Tan served in various distinguished and management positions at Media Corporation of Singapore, LexisNexis Asia Pacific in Singapore and Hong Kong, and the Singapore Tourism Board/Economic Development Board of Singapore. Mr. Tan was awarded the prestigious Singapore Government scholarship to pursue his Bachelor of Science degree at the University of Hawaii at Manoa and graduated with a perfect 4.0 GPA.

AZMAN HISHAM BIN JAAFAR

Independent Director

Mr Azman was appointed to our Board on 3 November 2010. He is an Advocate & Solicitor, and Deputy Managing Partner of RHTLaw Taylor Wessing LLP, Chairman of the firm's ASEAN Plus Group, and heads the firm's Indonesia Practice. He has advised and represented clients in numerous transactions involving mergers and acquisitions, corporate finance, mining, and oil and gas transactions in Singapore, China and Indonesia. He fluently speaks Mandarin and Bahasa Indonesia, and is a guest tutor at the National University of Singapore Law Faculty's Legal Case Studies programme. He is also a regular speaker at seminars on mergers and acquisitions, initial public offerings and regulatory compliance in Singapore. He obtained his LL.B (Hons) from the National University of Singapore.

OUR VALUE PROPOSITION

epiCentre
Mac & More

Best Apple Deals
Attractive Apple offers under one roof

Qualified and Certified Mac Evangelists
Serviced by trained Mac Lovers for Mac Lovers

Great Locations
Conveniently located at prime districts

Epitude Membership
Exclusive membership privileges at and beyond Epicentre

7-Day Extended Exchange Period
Unparalleled service with extended exchange period

EpiAcademy
Established complimentary learning hub for Apple Products

EpiGuard
Exclusive insurance policy available for our valued customers

iConcierge Services
First-of-its-kind counter service that provides technical advice and support

Trade-in Services
Only place that offers cash for old computers, laptops, iPads or iPods

STORE LISTING SINGAPORE

Epicentre @ Wheelock Place
501 Orchard Road
Wheelock Place #02-20/23
Singapore 238880
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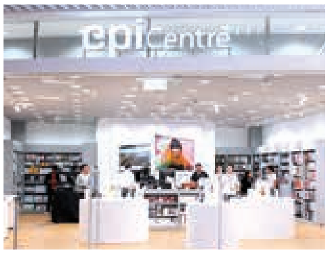

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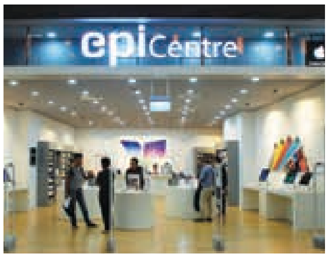

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#B1-227, The Forum
Singapore 098138

STORE LISTING MALAYSIA

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Epicentre @ Lim Kok Wing
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Jalan Teknorat 1/1, 63000 Cyberjaya
Selangor Darul Ehsan
Tel: +603 8313 0300

Epicentre @ IOI Mall
Lot E27 & 28, Ground Floor
IOI Mall, Batu 9 Jalan Puchong
Bandar Puchong Jaya
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Tel: +603 8075 0870

Epicentre @ Fahrenheit88
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Tel: +603 2143 8001

Epicentre @ e@Curve
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PJU 7/3, Mutiara Damansara
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Tel: +603 7726 1006

Epicentre @ Bangsar Village II
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GROUP STRUCTURE

GROUP OF COMPANIES

SINGAPORE

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Epicentre Solutions Pte. Ltd.
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Fax: +65 6601 9133

Epi Lifestyle Pte. Ltd.
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The Company ceased operation of one of its subsidiary, Epicentre (Shanghai) Co. Ltd. where the Company had an effective equity interest of 87% in FY2013.

GROUP INFORMATION

FULL NAME OF COMPANY
Epicentre Holdings Limited

COMPANY REGISTRATION NUMBER
200202930G

WEBSITE
www.epicentreasia.com

BOARD OF DIRECTORS
Jimmy Fong Teck Loon
(Executive Chairman and Chief Executive Officer)
Brenda Yeo *(Executive Director)*
Siow Chee Keong Joshua *(Lead Independent Director)*
Ron Tan Aik Ti *(Independent Director)*
Azman Hisham Bin Jaafar *(Independent Director)*

AUDIT COMMITTEE
Siow Chee Keong Joshua *(Chairman)*
Ron Tan Aik Ti
Azman Hisham Bin Jaafar

NOMINATING COMMITTEE
Azman Hisham Bin Jaafar *(Chairman)*
Jimmy Fong Teck Loon
Ron Tan Aik Ti
Siow Chee Keong Joshua

REMUNERATION COMMITTEE
Ron Tan Aik Ti *(Chairman)*
Siow Chee Keong Joshua
Azman Hisham Bin Jaafar

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Facsimile: +65 6601 9111

COMPANY SECRETARIES
Yun Chee Keen
Chew Kok Liang

AUDITORS
BDO LLP
Public Accountants and
Chartered Accountants
21 Merchant Road #05-01
Singapore 058267
Partner-in-charge: Adrian Lee Yu-Min
(Appointed since the financial year ended 30 June 2014)

SHARE REGISTRAR & SHARE TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
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Telephone: +65 6536 5355
Facsimile: +65 6536 1360

PRINCIPAL BANKERS
Australia and New Zealand Banking Group Limited
DBS Bank Limited
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
United Overseas Limited

CORPORATE INFORMATION

Board of Directors	:	Jimmy Fong Teck Loon Brenda Yeo Siow Chee Keong Joshua Ron Tan Aik Ti Azman Hisham Bin Jaafar
Company Secretaries	:	Yun Chee Keen Chew Kok Liang
Registered Office	:	39 Ubi Road 1 #08-01 World Publications Building Singapore 408695 Tel : (65) 6601 9100 Fax : (65) 6601 9111 Website: www.epicentreasia.com
Share Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Auditors	:	BDO LLP Public Accountants and Chartered Accountants 21 Merchant Road #05-01 Singapore 058267 Partner-in-charge: Adrian Lee Yu-Min (Appointed since the financial year ended 30 June 2014)
Principal Bankers	:	Australia and New Zealand Banking Group Limited DBS Bank Limited Oversea-Chinese Banking Corporation Limited Standard Chartered Bank United Overseas Bank Limited

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of Epicentre Holdings Limited (the "Company") together with its subsidiaries (the "Group") is committed to setting in place corporate governance practices to provide the structure through which the objectives of protection of shareholders' interest and enhancement of long term shareholders' value are met.

This report outlines the corporate governance framework and practices of the Company with specific reference made to the principles and guidelines of the Singapore Code of Corporate Governance 2012 (the "Code").

BOARD MATTERS

The Board's conduct of its Affairs

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

As at 30 June 2015, the Board comprises five directors of whom three are Independent Directors and two are Executive Directors. The Board oversees the business affairs of the Company. It carries out the function by assuming responsibility for effective stewardship and corporate governance of the Company and the Group.

The primary role of the Board is to protect and enhance long-term shareholders' value.

The principal functions of the Board, apart from its statutory responsibilities, is to:

- Provide entrepreneurial leadership, set the strategic objectives and directions for the Group and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- Approve the policies, strategies and financial objectives of the Group;
- Establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- Oversee the framework for internal controls and risk management and ensure good corporate governance;
- Monitor the Board composition, selection of Directors and Board processes and performance;
- Review and monitor Executive Directors' remuneration;
- Review business results including management performance, monitoring budgeting control and corrective actions (if required);
- Approve annual budgets, major funding proposals, investment and divestment proposals;
- Identify the key stakeholder groups and recognising that their perceptions affect the Company's reputation;
- Set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- Consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

CORPORATE GOVERNANCE REPORT

All directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company.

Board Committees

Our Directors recognise the importance of good corporate governance and in offering high standards of accountability to our shareholders. In order to provide an independent oversight and to discharge its responsibilities more efficiently, the Board has delegated certain functions to various Board Committees. The Board Committees consist of Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC").

These Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis to ensure their continued relevance. The Chairman of the respective Committees report to the Board on the outcome of the Committee meetings and their recommendations on the specific agendas mandated to the respective Committee by the Board. The effectiveness of each Committee is also constantly reviewed by the Board.

Matters which specifically require Board's approval are those (i) involving material acquisitions and disposals of assets, (ii) half and full year results announcements and press releases for release to the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), (iii) annual reports and audited financial statements, (iv) corporate or financial restructuring, (v) declaration of dividends and issuance of shares, (vi) approval of major investment and funding decisions and (vii) other shareholder matters.

The Company's Articles of Association (the "Articles") provide for the meetings of the directors to be held by means of telephonic conference or other methods of simultaneous communication be it electronic or telegraphic means when necessary. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information to the proposed transaction.

Regular meetings are held to review the performance of the business and approve the public release of interim financial results. The Board is free to seek clarification and information from Management on all matters within their purview. Ad-hoc meetings are convened when the circumstances require.

The number of meetings held by the Board and Board Committees and attendance of Directors at the meetings for the financial year ended 30 June 2015 is set out as follows:

	Board	**Audit Committee**	**Remuneration Committee**	**Nominating Committee**
Number of meetings held	7	4	2	1
Name of Director	Number of meetings attended			
Jimmy Fong Teck Loon	7	4*	1*	1
Brenda Yeo	3	3*	1*	1*
Siow Chee Keong	7	3	2	1
Ron Tan Aik Ti	7	4	2	1
Azman Hisham Bin Jaafar	6	4	2	1

* By invitation

CORPORATE GOVERNANCE REPORT

Besides the attendance at meetings, the Board also measures the contribution of each Director in other forms including periodic reviews, provision of guidance and advice on various matters relating to the Group on an on-going basis.

Directors are updated regularly on key regulatory and accounting changes at Board meetings. Directors are also strongly encouraged to undergo relevant training to enhance their skills and knowledge, especially on new laws and regulations affecting the Group's operations.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**"), which are relevant to the Directors are circulated to the Board. The Company Secretary also informs the Directors of upcoming conferences and seminars relevant to their roles as directors of the Company. Annually, the external auditors update the AC and the Board on the new and revised financial reporting standards.

The Company will conduct briefing and orientation programs for new directors to familiarise with the Company's structure and organisation, businesses and governance policies. Upon appointment, the Company will provide each newly appointed director a formal letter and will be briefed by the Executive Chairman and Chief Executive Officer and/or senior Management of the Company on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as directors of the Company. The aim of the orientation program is to give new directors a better understanding of the Company's businesses and allow them to assimilate into their new roles. New directors are also informed about matters such as the Code of Dealing in the Company's securities. Changes to regulations and accounting standards are monitored closely by the Management. In order to keep pace with such regulatory changes, the Company will provide opportunities for ongoing training on Board processes and best practices as well as any updates on changes in legislation and financial reporting standards, regulations and guidelines from SGX-ST that affect the Company and/or the directors in discharging their duties effectively.

Board Composition and Guidance

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

As of the date of this report, the Board comprises the following directors:

Executive Directors
Mr Jimmy Fong Teck Loon
Ms Brenda Yeo

Independent Non-Executive Directors
Mr Siow Chee Keong
Mr Ron Tan Aik Ti
Mr Azman Hisham Bin Jaafar

The Board's structure, size and composition are reviewed on an annual basis by the NC to ensure that the Board has the appropriate size and the right mix of skills and diverse expertise and experience, given the nature and scope of the Group's operations. The Board collectively possesses the necessary core competencies for effective functioning and informed decision-making.

CORPORATE GOVERNANCE REPORT

The criterion for independence is based on the definition given in the Code. The Board considers an “independent” Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent judgment of the conduct of the Group’s affairs.

As at current date, the Independent Directors comprise more than one third of the Board’s composition. The Board has undertaken a full review of its composition. It is of the opinion that, with a significant majority of the Directors being Non-Executive and Independent Directors, the Board continues to exercise objective judgment independently of the Management.

Key information regarding the Directors is given in the “Board of Directors” section of the Annual Report. Particulars of interests of Directors who held office at the end of the financial year in shares, warrants and share options in the Company and in related corporations are set out in the Directors’ Report on pages 36 to 39 of the Annual Report.

None of our directors has served on our Board beyond nine years from the date of his/her appointment.

The Independent Non-Executive Directors meet regularly without the presence of the Management.

The Independent Non-Executive Directors are encouraged to constructively challenge and help to develop the management reporting framework and review management performance.

Chairman and Chief Executive Officer

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

The Board is of the view that it is in the best interests of the Group to adopt a single leadership structure so as to ensure the decision-making process of the Group would not be unnecessarily hindered. As such, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual. The respective Board Committees vet all major decisions made by the Chief Executive Officer (“CEO”).

Mr Jimmy Fong Teck Loon is the Executive Chairman and CEO of the Company. As the CEO, he formulates the policies and supervises the day-to-day business operations. As the Chairman, he is primarily responsible for overseeing the overall management and strategic development of the Company. He schedules Board meetings as and when required and sets the agenda for the Board meetings. He ensures the quality, quantity, accuracy and the timeliness of information flow between the Board, the Management and shareholders of the Company. He also encourages a constructive relationship within the Board, between the Executive and Non-Executive Directors and between the Board and the Management.

The Chairman also assists to facilitate the effective contribution of Non-Executive Directors, taking into consideration of their expertise in different disciplines. He promotes a high standard of corporate governance practices by establishing shared acceptance of core business and management values among the Board members.

In line with the recommendation in Guideline 3.3 of the Code, the Board has appointed Mr Siow Chee Keong as Lead Independent Director of the Company. The Lead Independent Director serves as a principal liaison on Board issues between the Independent Directors and the Chairman of the Board. The Lead Independent Director is available to shareholders who have concerns, which contact through the normal channels of the Chairman, CEO, Executive Directors or Chief Financial Officer have failed to resolve or for which such contact is inappropriate.

CORPORATE GOVERNANCE REPORT

Board Membership

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

The NC comprises the following members, a majority of whom are Independent Directors:

Mr Azman Hisham Bin Jaafar	Chairman
Mr Jimmy Fong Teck Loon	Member
Mr Siow Chee Keong	Member
Mr Ron Tan Aik Ti	Member

The NC is regulated by its terms of reference and its key functions include:

- Making recommendations to the Board on all new Board appointments, re-appointments and re-nominations;
- Ensuring that Independent Directors meet the Code's guidelines and criteria;
- The development of a process for evaluation of the performance of the Board as a whole and its board committees;
- Ensuring that Directors with multiple board representation commit adequately in carrying out his/her duties; and
- Reviewing the board succession plan for Directors, in particular, the Executive Chairman and CEO.

The independence of each Director is reviewed annually by the NC based on the Code's definition of what constitutes an Independent Director.

The Company has in place policies and procedures for the appointment of new Directors, including the search and nomination process. For the selection and appointment of new Directors, the NC makes its recommendation based on merit, track record, experience, age, capabilities, industry knowledge and other pertinent criteria.

The Articles of the Company require one-third of the Board to retire from office at each Annual General Meeting ("AGM") of the Company. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years. It was also provided in the Articles of the Company that the Directors appointed during the course of the year must retire and submit themselves for re-election at the next AGM of the Company following their appointments.

CORPORATE GOVERNANCE REPORT

The dates of initial appointment and last re-election of each Director are set out below:

Name of Director	Position held on the Board	Date of first appointment to the Board	Date of last re-election as Director
Mr Jimmy Fong Teck Loon	Executive Chairman/ Managing Director	9 April 2002*/ 10 December 2007	29 October 2013
Ms Brenda Yeo	Director	21 February 2007	29 October 2013
Mr Siow Chee Keong	Director	10 December 2007	29 October 2014
Mr Ron Tan Aik Ti	Director	3 August 2010	29 October 2014
Mr Azman Hisham Bin Jaafar	Director	3 November 2010	29 October 2013

* Mr Jimmy Fong Teck Loon was first appointed as Director on 9 April 2002 and appointed as Managing Director on 10 December 2007.

The NC is of the view that despite multiple board representations in certain instances, each Director is able to allocate sufficient time and attention to the affairs of the Company and has been able to adequately discharge his/her duties as a Director of the Company. Currently, the Board has not determined the maximum number of listed Board representations which any director may hold. The NC and Board will review the requirement to determine the maximum number of listed Board representations as and when it deems fit.

The NC has assessed the independence of the Non-Executive Directors, Mr Siow Chee Keong, Mr Ron Tan Aik Ti and Mr Azman Hisham Bin Jaafar, and is satisfied that there are no relationships which would deem them not to be independent.

Each member of the NC shall abstain from voting on any resolutions in respect to his re-nomination as a Director.

The NC has recommended the re-election of Ms Brenda Yeo and Mr Azman Hisham Bin Jaafar who are retiring at the forthcoming Annual General Meeting pursuant to Article 93 of the Articles of the Company. The Board has accepted the recommendations and the retiring Directors would be offering themselves for re-election.

Board Performance

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

The NC has examined the Board's size and is satisfied that it is appropriate for effective decision making, taking into account the nature and scope of the Company's operations. The NC has in place a formal process for assessment of the effectiveness of the Board as a whole and its Board Committees.

The NC had undertaken a process to assess the effectiveness of the Board as a whole and its Board Committees for the financial year ended 30 June 2015. The appraisal parameters focused on evaluation of factors such as the size and composition of the Board, the Board's access to information, Board's processes and accountability, Board's performance in relation to discharging its principal responsibilities, communication with the Management and the standards of conduct of the Directors. The performance measurements ensure that the mix of skills and experience of the Directors continue to meet the needs of the Group.

CORPORATE GOVERNANCE REPORT

Through the evaluation process and the intensity of participation by the Directors at the Board and Board Committees meetings and their quality of contribution, the NC is satisfied that the Directors are able to continue contributing effectively and the results of the assessment has been communicated to and accepted by the Board.

The NC has decided unanimously, that the directors will not be evaluated individually but factors taken into consideration for the re-nomination are the extent of their attendance, participation and contributions in the proceedings of the meetings.

The NC noted that the performance evaluation should consider the performance of the Company's share price over a five-year period vis-à-vis the Singapore Straits Times Index. However, the NC did not adopt it and has instead benchmarked the Company's performance against its industry peers and adopt other criteria that include revenue growth year-on-year, gross margin as well as profit margin.

Access to Information

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

All Directors are furnished with information concerning the Company to enable them to be fully informed of the decisions and actions of the Company's executive management in a timely manner. The Board has unrestricted access to the Company's records and information.

The key management personnel are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board meetings, or by engaging external consultants for specific projects.

The Board has separate and independent access to the Company Secretaries and to the key management personnel of the Company and the Group at all times, to assist the Board in carrying out its duties.

The Company Secretaries or their representatives attend all the meetings of the Board and Board Committees and assist the Board and Board Committees to ensure that proper procedures are followed and that applicable rules and regulations are complied with. The minutes of all Board Committees' meetings are circulated to the Board. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

The RC comprises entirely Independent Directors and the members of the RC are:

Mr Ron Tan Aik Ti	Chairman
Mr Siow Chee Keong	Member
Mr Azman Hisham Bin Jaafar	Member

The RC functions under its terms of reference which sets out its responsibilities as follows:

- Review and recommending to the Board, a general framework of remuneration and specific remuneration packages and terms of employment for all Directors and key management personnel of the Company;

- Reviewing the service agreements of the Executive Directors and key management personnel of the Company;

- Performing an annual review of the remuneration of employees related to directors to ensure that their remuneration packages are in line with the Company's staff remuneration guidelines and commensurate with their respective job scope and level of responsibility; and

- Review and approving the bonuses, pay increases and/or promotions of employees related to directors.

The RC recommends to the Board a general framework of remuneration for the Directors and key management personnel and determines specific remuneration packages for each Executive Director. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind, are covered by the RC.

The recommendations of the RC would be submitted to the Board for endorsement. The RC is provided with access to expert independent professional advice on remuneration matters, as and when the need arises. The expense of such services is borne by the Company. No individual Director shall be involved in deciding his/her own remuneration.

In reviewing the service agreements of the Executive Directors and key management personnel of the Company, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

Each member of the RC shall abstain from making any recommendation on or voting on any resolutions in respect of his own remuneration package.

CORPORATE GOVERNANCE REPORT

Level and Mix of Remuneration

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

In setting the remuneration packages, the RC takes into consideration the remuneration and employment conditions within similar industries and in comparable companies. As part of its review, the RC ensures that the performance related elements of remuneration form a significant part of the total remuneration package of Executive Directors and is designed to align the Directors' interests with those of shareholders and risk policies of the Company and link rewards to corporate and individual performance. The RC also reviews all matters concerning the remuneration of Non-Executive Directors to ensure that the remuneration commensurate with the contribution and responsibilities of the Directors.

The fee structure for Directors is assessed by the Board annually after benchmarking such fees against those in the public and private sectors. The Company believes that the fees are competitive and its Directors are adequately compensated in line with market norms. Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised.

None of the Non-Executive Directors has any service contracts with the Company and they receive remuneration by way of Directors' fees. These Directors' fees are proposed by the Company as a lump sum to be approved by the shareholders at the AGM of the Company.

The service agreement of the Executive Chairman and CEO covers the terms of employment, salaries and other benefits. It has a fixed term of five years with effect from 1 January 2011 and will continue for a further term of another five years, unless otherwise terminated by either party, giving not less than six months' notice in writing.

The RC may recommend the Company to consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company.

The Company has an existing performance share plan known as the Epicentre Holdings Limited Performance Share Plan (the "Scheme") for the eligible participants. The Scheme will provide eligible participants with an opportunity to participate in the equity of the Company and will increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance.

The RC determines and approves the allocation of the share options and awards, the date of grant and the price thereof under the Scheme. Details of the Scheme are set out on page 37 of this Annual Report.

All individuals including Executive Director and key management personnel have performance related remuneration linked to corporate and individual performance as well as the existing Scheme. In determining the remuneration of the Executive Director and key management personnel, the RC takes into consideration the financial performance, and cash flow of the Group plus the individual's performance and contribution to the various function within the Group.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

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

A breakdown of the remuneration of the Directors of the Company, in percentage terms showing the level and mix, for the financial year ended 30 June 2015 falling within the broad bands are set out below:

Remuneration Band	Fixed Salary	Directors' Fees	Performance Related Income/Bonus	Total
S$250,000 to S$499,999				
Jimmy Fong Teck Loon	88%	12%	–	100%
Brenda Yeo	93%	7%	–	100%
Below S$250,000				
Siow Chee Keong	–	100%	–	100%
Ron Tan Aik Ti	–	100%	–	100%
Azman Hisham Bin Jaafar	–	100%	–	100%

The Board believes that it is for the benefit of the Company and the Group that the remuneration of the Executive Directors is kept confidential, due to its sensitive nature. Similarly, the name and remuneration of the top five key management personnel (who are not directors of the Company) are not disclosed due to the highly competitive markets the Company operates in, and the Company's concern over poaching of these key management personnel by competitors.

The range of the gross remuneration of the top five key management personnel of the Group (who are not Directors) for the financial year ended 30 June 2015 are set out below:

	Number of Key Management Personnel	
Remuneration Band	**2015**	**2014**
S$250,000 to S$499,999	1	1
Below $250,000	4	4

The aggregate total remuneration paid to the top five key management personnel (who are not directors or the CEO) for the year ended 30 June 2015 is approximately S$727,000.

Ms Brenda Yeo, an Executive Director of the Company, is the spouse of Mr Jimmy Fong Teck Loon, the Executive Chairman and the CEO of the Company as well as the substantial shareholder of the Company.

None of the Directors (including the CEO) and the top five key management personnel (who are not Directors or the CEO) of the Company has received any termination, retirement, post-employment benefits for FY2015.

Save as disclosed, there is no employee of the Group who is an immediate family member of any Director or the CEO or a controlling shareholder and whose remuneration has exceeded S$50,000 during the financial year ended 30 June 2015.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Accountability

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

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited (the "SGX-ST").

Price sensitive information is publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods.

In turn, the Management of the Company provides the Board with balanced and understandable accounts of the Group's performance, financial position and business prospects on a half-yearly basis for their effective monitoring and decision-making.

Risk Management and Internal Controls

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

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems on an annual basis. The internal control and risk management functions are performed by the Group's key management personnel, the internal controls and risks are independently reviewed by internal auditors and the internal control reports are reviewed by the AC.

It should be noted, in the opinion of the Board, that such system is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and that it can provide only reasonable, and not absolute, assurance against material misstatement of loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

The Group had appointed Messrs Ernst and Young Advisory Pte. Ltd. as the independent internal auditors of the Group to review the effectiveness of the Group's internal controls in light of the size and complexity of the Group's operations. Relying on the reports from the independent internal auditors, management letter issued by the external auditors (to the extent as required by them to form an audit opinion on the statutory financial statements) and the representation letters from the Management, the AC will carry out assessments of the effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the independent internal auditors and external auditors to further improve the internal controls will be reported to the AC. The AC will follow up on the actions taken by the Management and on the recommendations made by both the independent internal auditors and external auditors.

CORPORATE GOVERNANCE REPORT

For FY2015, the Board has received assurances from the CEO and the CFO of the Company that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the Group's risk management and internal control systems are sufficiently effective.

Based on the various management controls put in place, representation letter from the Management, periodic reviews by the Management, the Board with the concurrence of the AC is of the opinion that the system of internal controls addressing financial, operational, compliance and information technology controls, and risk management systems maintained by the Company during the year are adequate and effective as at 30 June 2015.

Audit Committee

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC comprises entirely Independent Directors and the members of the AC are:

Mr Siow Chee Keong	Chairman
Mr Ron Tan Aik Ti	Member
Mr Azman Hisham Bin Jaafar	Member

The AC meets with the Group's external and internal auditors and the Management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group.

The AC also monitors proposed changes in accounting policies, reviews the internal audit functions and discusses the accounting implications of major transactions. In addition, it advises the Board on the adequacy of the Group's internal controls and the contents and presentation of its reports.

The Board considers that the members of the AC are appropriately qualified to fulfil their responsibilities as the members bring with them invaluable managerial and professional expertise in the financial, legal and industry domain.

The AC functions under its terms of reference which sets out its responsibilities as follows:

- Review the audit plans of the external and internal auditors;
- Review the auditors' reports and evaluate the Company's and the Group's system of internal controls;
- Review the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls which is outsourced to a professional firm;
- Review the effectiveness of the Company's internal audit function;
- Review the co-operation given by the Company's officers to the internal and external auditors;
- Review the financial statements of the Company's and the Group before submission to the Board; and
- Make recommendations to the Board on the appointment or re-appointment of external and internal auditors.

CORPORATE GOVERNANCE REPORT

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility, which has or is likely to have material impact on the Group's operating and financial results. The AC is authorised to obtain independent professional advice, if deemed necessary, in the discharge of its responsibilities. Such expenses are borne by the Company. Each member of the AC abstains from voting any resolutions in respect of matters he is interested in.

The AC has full access to and cooperation of the Management, internal and external auditors. It also has full discretion to invite any Director or executive officer to attend its meetings and has been given adequate resources to enable it to discharge its functions properly.

The AC meets with the external and internal auditors, separately without the presence of Management, at least once a year. The AC reviews the findings from the auditors and the assistance given to the auditors by the Management.

The AC, having reviewed the range and value of non-audit services rendered by the external auditors, Messrs BDO LLP, which comprise tax advisory services and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The audit and non-audit fees paid/payable to the external auditors for the financial year ended 30 June 2015 were approximately $78,000 and $20,000 respectively.

The Company has complied with Rule 715 of the Listing Manual Section B: Rules of Catalist of the SGX-ST as all subsidiaries of the Company are audited by Messrs BDO LLP for the purposes of the consolidated financial statements of the Group.

The AC will undertake a review of the scope of services provided by the external auditors, the independence and the objectivity of the external auditors on annual basis. Messrs BDO LLP, the external auditors of the Company, has confirmed that they are a Public Accounting Firm registered with ACRA and provide a confirmation of their independence to the AC. The AC had assessed the external auditors based on factors such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit the size and complexity of the Group. Accordingly, the AC is satisfied that Rule 712 of the Listing Manual Section B: Rules of Catalist of the SGX-ST is complied with and has recommended the Board that Messrs BDO LLP be nominated for re-appointment as external auditors at the forthcoming AGM of the Company.

The Company's internal auditors, during their course of audit, will evaluate the effectiveness of the Company's internal controls and report to the AC, together with their recommendations, any material weakness and non-compliance of the internal controls. The AC has reviewed the internal audit reports and based on the controls in place, is satisfied that there are adequate internal controls in the Group.

In July 2010, the Singapore Exchange Limited and ACRA had launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the AC in evaluating the external auditors. Accordingly, the AC had evaluated the performance of the external auditors based on the key indicators of audit quality set out in the guidance.

To keep abreast of the changes in accounting standards and issues which have a direct impact on the Group's financial statements, the AC is updated by the external auditors on the relevant changes in accounting standards and issues when they attend the AC meetings half-yearly.

The Company has in place the whistle blowing framework, endorsed by the AC, which provides the mechanisms to encourage and provide a channel where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions. The details of the whistle blowing policies

CORPORATE GOVERNANCE REPORT

and arrangements have been made available to all employees. To ensure that complaints can be submitted confidentially or anonymously when employee complainants so choose, the employee can address his/her complaint to: Chairman of the Audit Committee, Epicentre Holdings Limited, 351 Jalan Besar, #02-04 Reliance Building, Singapore 208988 in a sealed envelope, marked “Private and Confidential” or email to Epicentre@cksiow.com. As at the date of this report, there was no report received through the whistle blowing mechanism.

Internal Audit

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

The AC and Board recognise the need for a robust and effective system of internal controls. Based on consideration of the size of the Group, the nature and complexity of its operations as well as cost-effectiveness, the AC recommended to the Board the appointment of Messrs Ernst and Young Advisory Pte. Ltd., a professional accounting firm providing internal audit, risk and compliance services. The internal auditors report directly to the AC on all internal audit matters though administratively liaises with the Chief Financial Officer.

The Management is responsible for designing and implementing a system of internal controls, procedures and processes for the Group to safeguard the shareholders’ investments and Company’s assets. The internal auditors assess the reliability, adequacy and effectiveness of these internal controls and risk management processes of the Group, assisting the AC in the review of interested person transactions and checking that the internal controls of the Group is adequate in proper recording of transactions and safeguarding the assets of the Group. The internal auditors will also carry out major internal control checks and compliance tests as instructed by the AC. The AC will review the internal auditors’ reports and ensure that there are adequate internal controls within the Group.

The AC, on an annual basis, will assess the effectiveness of the internal audit by examining the scope of the internal audit work and its independence, to ensure that the internal auditors have the necessary resources to adequately perform its functions.

The AC will ensure that the internal auditors meet or exceed the standards set by recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

Shareholder Rights

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

The Company firmly believes in high standards of transparent corporate disclosure, in line with continuous obligations of the Company under the Listing Manual Section B: Rules of Catalist of the SGX-ST, the Board’s policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group.

The Company believes that a high standard of disclosure is essential to raise the level of corporate governance. Interim and full year results and press releases are published through the SGXNet. All information of the Company’s new initiatives is first disseminated via SGXNet followed by a press release.

Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

CORPORATE GOVERNANCE REPORT

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts. All shareholders of the Company will receive the Annual Report with notice of AGM by post and published in a newspaper within the mandatory period, which is held within four months after the close of the financial year. In accordance with the Articles of the Company, shareholders may appoint one or two proxies to attend and vote at general meetings in their absence. All shareholders are allowed to vote in person or by proxy. Central Provident Fund investors of the Company's securities may attend shareholders' meetings as observers, provided that they have submitted to do so with the agent banks within the specified time frame.

Communications with Shareholders

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

The Company recognises the importance of actively engaging with stakeholders to promote effective and fair communication.

The Board also acknowledges its obligation to furnish timely information to shareholders and ensure that full disclosure of material information to comply with statutory requirements and the Listing Manual Section B: Rules of Catalist of the SGX-ST is made. Any price sensitive information will be publicly released on SGXNet first before being announced to any group of investors or analysts.

The Company does not have any dividend policy in place. The issue of payment of dividends is deliberated by the Board annually having regard to various factors. The Board, having considered the financial performance of the Group for the financial year ended 30 June 2015, did not recommend any dividend payment.

Conduct of Shareholders Meetings

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

Our shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay informed of the Group's strategy and goals. Notices of general meetings are dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 clear calendar days before the meeting for ordinary resolutions and/or 21 clear calendar days before the meeting for special resolutions. At general meetings of the Company, shareholders are given the opportunity to air their views and ask the Directors and Management questions regarding the Group and its businesses. The Chairman of the AC, NC and RC are normally available at the meetings to answer any questions relating to the work of these Board Committees. The external auditors are also present to assist the Board in addressing any relevant queries from the shareholders.

All the resolutions that are put to the vote at the forthcoming AGM would be voted by way of poll. The Company will make an announcement of the detailed results showing the numbers of votes cast for and against each resolution and the respective percentages to the public via SGXNet.

The Board also notes that there should be separate resolutions on each substantially separate issue that may be tabled at the general meeting.

CORPORATE GOVERNANCE REPORT

The Company prepares minutes of general meetings incorporating the substantial and relevant comments or queries from shareholders that is relevant to the agenda of the meeting and responses from the Board and the Management. Such minutes are available to shareholders upon request.

DEALINGS IN SECURITIES

The Company is guided by Rule 1204(19) of the Listing Manual Section B: Rules of Catalist of the SGX-ST in relation to the dealings in securities of the Company to its Directors and Management.

The Company has in place a policy to prohibit the Directors, key executives and employees who have access to unpublished material price sensitive information from dealing in Company's securities. The Company and its officers are advised not to deal in the Company's securities during the period commencing one month immediately preceding the announcement of the Company's half year and full year financial results and ending on the date of release of the said announcements to the SGX-ST. In addition, the Directors, key executives and employees are expected to observe insider trading laws at all times, even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's shares on short term considerations.

INTERESTED PERSON TRANSACTIONS

The Company has established an internal controls policy to ensure that transactions with interested persons are properly reviewed, approved and conducted at arm's length basis, on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

There were no interested person transactions between the Company and any of its interested persons (Directors, executive officers or controlling shareholders of the Group or the associates of such Directors, executive officers or controlling shareholders) subsisting for the financial period from 1 July 2014 to 30 June 2015.

The Company does not have any shareholders' mandate for interested person transactions.

MATERIAL CONTRACTS

Save as disclosed in the Directors' report and financial statements, there were no material contracts to which the Company or any of its subsidiaries, is a party and which involve the interests of the CEO, any Director or the controlling shareholder, were subsisting at the end of the financial year ended 30 June 2015 or entered into since the date of listing of the Company.

RISK MANAGEMENT

The Board, through its AC, manages the risk profile of the Company. In line with this, it has requested the Chief Financial Officer to highlight key risk areas of the Group's various businesses and review risk treatments on a regular basis. In addition, the internal auditors have been engaged to develop a risk-based internal audit plan to review financial, operational and compliance risks across the Group.

BUSINESS RISK

The Group is primarily engaged in the retailing of goods under the Apple brand and proprietary brands of electronics consumer products. Its revenue is affected by economic sentiment, consumer spending and market acceptance of the newly launched products in the various geographical regions in which the Group operates. In view of this, SWOT analysis is used to regularly review the on-going viability of the Group's retail network and how market share may be maintained/increased.

CORPORATE GOVERNANCE REPORT

FINANCIAL RISK

The Group maintains sufficient cash reserves to meet its obligations as and when it falls due.

CATALIST SPONSOR

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is RHT Capital Pte. Ltd.

For the purposes of Rule 1204(21) of the Listing Manual Section B: Rules of Catalist of the SGX-ST, there was no non-sponsor fee paid to RHT Capital Pte. Ltd. as at the date of this report.

NON-CONFLICT OF INTEREST

Mr Azman Hisham Bin Jaafar, Independent Director of the Company, has declared to the Directors that he is the Partner of RHTLaw Taylor Wessing LLP ("RHTLaw Taylor Wessing"). We are not presently aware of any conflict of interest arising from his aforesaid role. He abstains from any voting on any resolution where it relates to the appointment of RHTLaw Taylor Wessing, RHT Corporate Advisory Pte. Ltd., RHT Capital Pte. Ltd. and their related companies.

REPORT OF THE DIRECTORS

The Directors of the Company present their report to the members together with the audited financial statements of the Group for the financial year ended 30 June 2015 and the statement of financial position of the Company as at 30 June 2015.

1. Directors

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

Jimmy Fong Teck Loon
Brenda Yeo
Siow Chee Keong Joshua
Ron Tan Aik Ti
Azman Hisham Bin Jaafar

2. Arrangements to enable Directors to acquire shares or debentures

Except as disclosed under the section "Share options and performance shares plan", neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

3. Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), none of the Directors of the Company who held office at the end of the financial year had any interests in the shares or debentures of the Company or its related corporations except as detailed below:

	Shareholdings registered in the name of Directors or nominees		Shareholdings in which Directors are deemed to have interest	
	Balance at 1 July 2014	Balance at 30 June 2015	Balance at 1 July 2014	Balance at 30 June 2015
	Number of ordinary shares			
Company				
Jimmy Fong Teck Loon	55,025,800	**55,025,800**	630,000	**630,000**
Brenda Yeo	630,000	**630,000**	55,025,800	**55,025,800**
Siow Chee Keong Joshua	100,000	**100,000**	–	**–**

By virtue of Section 7 of the Act, Jimmy Fong Teck Loon and Brenda Yeo are deemed to have interests in the shares of all the subsidiaries of the Company as at the beginning and end of the financial year. Jimmy Fong Teck Loon is deemed to be interested in the shares held by his wife, Brenda Yeo, and vice versa.

Jimmy Fong Teck Loon's shareholding as at 30 June 2015 includes 54,969,800 (1 July 2014: 54,969,800) shares held by Credit Suisse AG Singapore through Raffles Nominees (Pte) Limited.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of Directors' Shareholdings, the Directors' interests as at 21 July 2015 in the shares of the Company have not changed from those disclosed as at 30 June 2015.

REPORT OF THE DIRECTORS

4. Directors' contractual benefits

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

5. Share options and performance shares plan

At the Extraordinary General Meeting held on 29 June 2010, the shareholders of the Company approved the Epicentre Holdings Limited Performance Share Plan (the "Scheme") and the participation of Jimmy Fong Teck Loon, a controlling shareholder in the Company, in the Scheme. In relation to the Scheme, the Company will grant shares of the Company ("Awards") to eligible Group employees and Non-Executive Directors ("Participants"). Awards represent the right of a Participant to receive fully paid ordinary shares of the Company ("Shares") free of charge, upon the Participant achieving prescribed performance targets. Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Committee's (as defined below) satisfaction that the prescribed performance targets have been achieved.

At the Annual General Meeting held on 28 October 2011, the shareholders of the Company approved the participation of Brenda Yeo in the Scheme, and the grant of Awards for 1,400,000 and 1,200,000 shares to two Executive Directors, namely Jimmy Fong Teck Loon and Brenda Yeo respectively. Notwithstanding approval of shareholders at the Annual General Meeting to the grant of such Awards, the Awards have not, as at 30 June 2015, been granted to Jimmy Fong Teck Loon and Brenda Yeo.

The aggregate number of new shares issued pursuant to the Scheme shall not exceed 15% of the issued share capital of the Company.

The Scheme is administered by the Remuneration Committee, comprising of Ron Tan Aik Ti, Siow Chee Keong Joshua and Azman Hisham Bin Jaafar.

There were no options and conditional awards granted to the controlling shareholders of the Company or their associates and employees as at the end of the financial year.

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under options as at the end of the financial year.

REPORT OF THE DIRECTORS

6. Audit committee

The Audit Committee comprises the following members, who are all Non-Executive Directors and Independent Directors. The members of the Audit Committee during the financial year and at the date of this report are:

Siow Chee Keong Joshua (Chairman)
Ron Tan Aik Ti
Azman Hisham Bin Jaafar

The Audit Committee performs the functions specified in Section 201B (5) of the Act and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed the audit plans and the overall scope of examination by the external and internal auditors of the Group and of the Company. The Audit Committee also reviewed the independence of the external and internal auditors of the Company and the nature and extent of the non-audit services provided by the external auditors.

The Audit Committee also reviewed the assistance provided by the Company's officers to the external and internal auditors and the consolidated financial statements of the Group and the statement of financial position of the Company as well as the Independent Auditor's Report thereon prior to their submission to the Directors of the Company for adoption and reviewed the interested person transactions as defined in Chapter 9 of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

The Audit 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 has also full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP for re-appointment as auditors of the Company at the forthcoming Annual General Meeting. The Audit Committee has carried out an annual review of non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors prior to recommending their re-appointment.

7. Auditors

The auditors, BDO LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Jimmy Fong Teck Loon	**Brenda Yeo**
Director	Director

Singapore
30 September 2015

STATEMENT BY DIRECTORS

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

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

On behalf of the Board of Directors

Jimmy Fong Teck Loon
Director

Brenda Yeo
Director

Singapore
30 September 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EPICENTRE HOLDINGS LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Epicentre Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 42 to 90, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EPICENTRE HOLDINGS LIMITED

Report on other legal and regulatory requirements

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

BDO LLP
Public Accountants and Chartered Accountants

Singapore
30 September 2015

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Intangible assets	4	**84**	119	**–**	–
Plant and equipment	5	**1,465**	1,605	**332**	577
Investments in subsidiaries	6	**–**	–	**834**	834
		1,549	1,724	**1,166**	1,411
Current assets					
Inventories	7	**12,116**	17,119	**–**	–
Trade and other receivables	8	**4,486**	5,096	**7,563**	6,182
Prepayments		**139**	332	**11**	59
Current income tax recoverable		**–**	118	**–**	–
Cash and cash equivalents	9	**5,171**	6,063	**448**	321
		21,912	28,728	**8,022**	6,562
Less:					
Current liabilities					
Trade and other payables	10	**9,419**	11,533	**6,720**	2,988
Provisions	11	**269**	329	**–**	–
Deferred revenue	12	**278**	8	**–**	–
Finance lease payables	13	**–**	6	**–**	6
Current income tax payable		**89**	70	**–**	–
Bank borrowings	14	**7,104**	9,116	**1,264**	2,862
		17,159	21,062	**7,984**	5,856
Net current assets		**4,753**	7,666	**38**	706
Less:					
Non-current liabilities					
Deferred revenue	12	**104**	–	**–**	–
Deferred tax liabilities	15	**69**	69	**15**	15
		173	69	**15**	15
Net assets		**6,129**	9,321	**1,189**	2,102
Equity					
Share capital	16	**6,709**	6,709	**6,709**	6,709
Treasury shares	17	**(69)**	(69)	**(69)**	(69)
Foreign currency translation account	18	**(375)**	(120)	**–**	–
Retained earnings/(Accumulated losses)		**355**	3,230	**(5,451)**	(4,538)
Equity attributable to owners of the parent		**6,620**	9,750	**1,189**	2,102
Non-controlling interests		**(491)**	(429)	**–**	–
Total equity		**6,129**	9,321	**1,189**	2,102

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Revenue	19	**178,498**	172,372
Cost of sales		**(161,729)**	(155,288)
Gross profit		**16,769**	17,084
Other items of income			
Other income	20	**1,998**	2,348
Other items of expenses			
Administrative expenses		**(17,988)**	(18,334)
Selling and distribution costs		**(3,200)**	(3,756)
Finance costs	21	**(177)**	(132)
Loss before income tax	22	**(2,598)**	(2,790)
Income tax expense	23	**(277)**	(105)
Loss for the financial year		**(2,875)**	(2,895)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency differences on translation of foreign operations		**(317)**	(25)
Other comprehensive income for the financial year, net of tax		**(317)**	(25)
Total comprehensive income for the financial year		**(3,192)**	(2,920)
Loss attributable to:			
Owners of the parent		**(2,875)**	(2,895)
Non-controlling interests		**–**	–
		(2,875)	(2,895)
Total comprehensive income attributable to:			
Owners of the parent		**(3,130)**	(2,933)
Non-controlling interests		**(62)**	13
		(3,192)	(2,920)
Loss per share (in cents)			
– Basic and diluted	24	**(3.08)**	(3.10)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Retained earnings $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2014	6,709	(69)	(120)	3,230	9,750	(429)	9,321
Loss for the financial year	–	–	–	(2,875)	(2,875)	–	(2,875)
Other comprehensive income for the financial year that may be reclassified subsequently to profit or loss:							
Foreign currency differences on translation of foreign operations, net of tax	–	–	(255)	–	(255)	(62)	(317)
Total comprehensive income for the financial year	–	–	(255)	(2,875)	(3,130)	(62)	(3,192)
Balance at 30 June 2015	**6,709**	**(69)**	**(375)**	**355**	**6,620**	**(491)**	**6,129**
Balance at 1 July 2013	6,709	(69)	(82)	6,125	12,683	(442)	12,241
Loss for the financial year	–	–	–	(2,895)	(2,895)	–	(2,895)
Other comprehensive income for the financial year that may be reclassified subsequently to profit or loss:							
Foreign currency differences on translation of foreign operations, net of tax	–	–	(38)	–	(38)	13	(25)
Total comprehensive income for the financial year	–	–	(38)	(2,895)	(2,933)	13	(2,920)
Balance at 30 June 2014	6,709	(69)	(120)	3,230	9,750	(429)	9,321

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Operating activities			
Loss before income tax		**(2,598)**	(2,790)
Adjustments for:			
Allowance for inventory obsolescence		**830**	190
Allowance for impairment loss on third parties trade receivables		**9**	–
Third parties trade receivables written off		**1**	31
Depreciation of plant and equipment		**1,125**	1,252
Amortisation of intangible assets		**45**	121
Interest expense		**177**	132
Gain on disposal of plant and equipment		**(3)**	–
Inventories written off		**37**	4
Plant and equipment written off		**50**	3
Reversal of provision for reinstatement costs not utilised		**(40)**	–
Operating cash flows before working capital changes		**(367)**	(1,057)
Working capital changes:			
Inventories		**3,746**	(5,685)
Trade and other receivables		**561**	643
Prepayments		**189**	123
Trade and other payables		**(1,830)**	(1,730)
Deferred revenue		**374**	–
Cash from/(used in) operations		**2,673**	(7,706)
Interest paid		**(177)**	(132)
Income taxes (paid)/refunded		**(143)**	19
Net cash from/(used in) operating activities		**2,353**	(7,819)
Investing activities			
Proceeds from disposal of plant and equipment		**11**	–
Purchase of plant and equipment	5	**(1,042)**	(423)
Additions to intangible assets		**(10)**	(129)
Net cash used in investing activities		**(1,041)**	(552)
Financing activities			
Proceeds from bank borrowings		**14,603**	30,112
Repayments of bank borrowings		**(16,615)**	(27,151)
Repayments of finance lease payables		**(6)**	(79)
Net cash (used in)/from financing activities		**(2,018)**	2,882
Net change in cash and cash equivalents		**(706)**	(5,489)
Cash and cash equivalents at beginning of financial year		**6,063**	11,626
Effects of exchange rate changes on cash and cash equivalents		**(186)**	(74)
Cash and cash equivalents at end of financial year	9	**5,171**	6,063

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

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

1. General corporate information

Epicentre Holdings Limited (the "Company") is a public limited company, incorporated and domiciled in Singapore. The principal place of business and registered office is at 39 Ubi Road 1 #08-01 World Publications Building, Singapore 408695. The Company's registration number is 200202930G.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The consolidated financial statements of the Company and its subsidiaries (the "Group") and the statement of financial position of the Company for the financial year ended 30 June 2015 were authorised for issue in accordance with a Directors' resolution dated 30 September 2015.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS") including related Interpretation of FRS ("INT FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

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 statement of financial position of the Company are presented in Singapore dollar ("$"), which is the functional currency of the Company. All values are rounded to the nearest thousand ($'000) unless otherwise indicated.

The Group had incurred losses of $2,875,000 for the financial year ended 30 June 2015. Although the Group had incurred losses for three consecutive financial years, including losses of $2,895,000 and $3,868,000 for the financial years ended 30 June 2014 and 2013 respectively, the management is of the opinion that the use of going concern basis to prepare the Group's financial statements is appropriate. In assessing whether the Group can meet its debt obligations for the ensuing twelve months, the management had prepared cash flow forecasts which was approved by the Board. The cash flows were derived from the financial budget for the financial year ending 30 June 2016 where it indicates that the Group is able to pay its debts as and when they fall due.

The preparation of financial statements in compliance with FRS requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

2. **Summary of significant accounting policies (Continued)**

2.1 Basis of preparation of financial statements (Continued)

During the financial year, the Group and the Company adopted the new or revised FRS and INT FRS that are relevant to their operations and effective for the current financial year. The adoption of the new or revised FRS and INT FRS did not result in any substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial years.

FRS issued but not yet effective

As at the date of the authorisation of these financial statements, the Group has not adopted the following FRS and INT FRS that have been issued but not yet effective which are relevant to the Group:

			Effective date (annual periods beginning on or after)
FRS 1 (Amendments)	:	Disclosure Initiative	1 January 2016
FRS 109	:	Financial Instruments	1 January 2018
FRS 115	:	Revenue from Contracts with Customers	1 January 2017
FRS 16, FRS 38 (Amendments)	:	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Improvements to FRSs (November 2014)			1 January 2016

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

The management anticipates that the adoption of the above FRS in future periods, if applicable, will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption, except as discussed below.

FRS 109 – Financial Instruments

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS issued but not yet effective (Continued)

FRS 109 – Financial Instruments (Continued)

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for derecognition of financial assets and financial liabilities.

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group plans to adopt FRS 109 in the financial year beginning on 1 July 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard, however the Group will be required to reassess the classification and measurement of financial assets and the new impairment requirements are expected to result in changes for impairment provisions on trade receivables and other financial assets not measured at fair value through profit or loss.

FRS 115 – Revenue from Contracts with Customers

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS issued but not yet effective (Continued)

FRS 115 – Revenue from Contracts with Customers (Continued)

On initial adoption of this standard there may be a potentially significant impact on the timing and profile of revenue recognition of the Group. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard. The Group plans to adopt the standard in the financial year beginning on 1 July 2017 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is obtained by to the Group up to the effective date on which control is lost, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value, of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Changes in the Group's interest in a subsidiary that do not result in a loss of control 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 subsidiary. 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 it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal 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. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any investments 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 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration also includes the fair value of any contingent consideration. Contingent consideration classified as a financial liability is remeasured subsequently to fair value through profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date.

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 off.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2.4 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following the initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

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

Club membership

Club membership which was acquired separately is amortised to profit or loss over its useful lives of 3 years.

Trademarks

Trademarks which were acquired separately is amortised to profit or loss using the straight-line method over 10 years.

Website development costs

Website development costs relating to the application and infrastructure development, graphical design and content development stages incurred with third parties are recognised as intangible assets and measured at cost.

Direct expenditure which enhances or extends the performance of the website beyond its specifications and which can be reliably measured is added to the original cost of the website. Costs associated with maintaining the website are recognised as expense as incurred.

Amortisation of the intangible assets begin when the assets are available for use. Website development costs have a finite useful life and are amortised to profit or loss using the straight-line method over 3 years.

2. Summary of significant accounting policies (Continued)

2.5 Plant and equipment

Plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure on an item of plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred.

Plant and equipment are subsequently stated 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
Demo equipment	3
Office equipment	3
Furniture and fittings	3
Renovation	3
Motor vehicles	7 to 10

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

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

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

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (Continued)

2.6 Impairment of non-financial assets

At the end of each financial year, the Group and the Company review the carrying amounts of their non-financial 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). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its 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.

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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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 (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the “first-in-first-out” method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Allowance is made for obsolete, slow-moving and defective inventories.

2.8 Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the Group or the Company 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 allocating the interest income or expense over the relevant period. The effective interest rate 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (Continued)

2.8 Financial instruments (Continued)

Effective interest method (Continued)

of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

All financial assets are initially recognised at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially recognised at fair value.

Loans and receivables

Non-derivative financial assets which have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, where applicable, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's loans and receivables in the statement of financial position comprise trade and other receivables and cash and cash equivalents.

Impairment of financial assets

Financial assets, other than fair value through profit or loss, are assessed for indicators of impairment at the end of each financial year. 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 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.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (Continued)

2.8 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial assets 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.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

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. The Group classified ordinary shares as equity instruments.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

2. Summary of significant accounting policies (Continued)

2.8 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

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

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. The Group has not designated any financial liabilities as fair value through profit or loss upon initial recognition.

Other financial liabilities

Trade and other payables

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

Bank borrowings

Interest-bearing bank loans and invoice financings 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 in accordance with the Group’s accounting policy for borrowing costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.9 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash and deposits with banks and financial institutions. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (Continued)

2.10 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation 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.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented, net of rebates, discounts and sales related taxes.

Revenue from sale of goods is recognised upon passage of title to the customers which coincides with the delivery and acceptance.

Revenue from rendering of services is recognised when services are performed.

The consideration received from the sale of goods to customers under the customer loyalty programme "Epicentre Loyalty Programme" is allocated to the goods sold and the points issued (award credits) that are expected to be redeemed. The consideration allocated to the award credits is at the fair value of the points. It is recognised as a liability (deferred revenue) on the statements of financial position and recognised as revenue when the points are redeemed, expired or are no longer expected to be redeemed. The amount of revenue is based on the number of award credits that have been redeemed, relative to the total number expected to be redeemed.

Sponsorship income is recognised upon public presentation for media advertising.

Membership fees income is recognised over the membership period.

Rebates income is recognised upon the amount received for certain costs incurred for renovation of outlets.

Commission income is recognised on an accrual basis when services are rendered.

2. Summary of significant accounting policies (Continued)

2.12 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

2.13 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.14 Employee benefits

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 entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated undiscounted liability for annual leave expected to be settled wholly within 12 months from the reporting date as a result of services rendered by employees up to the end of the financial year.

Performance share plan

The fair value of employee services received in exchange for the grant of the awards would be recognised as a charge to the consolidated statement of comprehensive income over the vesting period and is determined by reference to the fair value of each award granted on the date of the award with a corresponding credit to equity.

The expense recognised in the consolidated statement of comprehensive income at each financial year reflects the manner in which the benefits will accrue to employees under the share plan over the vesting period. The charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of the financial year.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (Continued)

2.15 Leases

When the Group and the Company are the lessees of a finance lease

Leases in which the Group and the Company assume substantially the risks and rewards of ownership are classified as finance leases.

Upon initial recognition, plant and equipment acquired through finance lease is capitalised at the lower of its fair value and the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised.

Subsequent to initial recognition, the plant and equipment is accounted for in accordance with the accounting policy applicable to that plant and equipment. Lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to achieve a constant periodic rate of interest on the remaining balance of the finance lease liability. Finance charge is recognised in profit or loss.

When the Group and the Company are the lessees of operating leases

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

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

Contingent rents are recognised as an expense in profit or loss in the financial year in which they are incurred.

2.16 Taxes

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

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit reported as profit or loss 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 recognised at the amount expected to be paid or recovered from the taxation authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. Summary of significant accounting policies (Continued)

2.16 Taxes (Continued)

Deferred tax

Deferred tax is recognised on all temporary 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, and is accounted for using the balance sheet liability method. 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 on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, 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.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered 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.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

Sales tax

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

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (Continued)

2.17 Foreign currency transactions and translation

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 financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. 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 financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the financial year, unless exchange rates fluctuated significantly during that financial year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation account.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation account.

On disposal of a foreign operation, the accumulated foreign currency translation account relating to that operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends on ordinary shares are recognised as a liability in the financial year in which the dividends are approved by the shareholders.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who makes strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These 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.

3.1 Critical judgements in applying the accounting policies

The following are the critical judgements, apart from those involving estimations that management has made in the process of applying the Group's accounting policies and which have significant effect on the amounts recognised in the financial statements.

Impairment of investments in subsidiaries and financial assets

The Group and the Company follow the guidance of FRS 36 and FRS 39 on determining whether an investment or a financial asset is impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the fair value of an investment in subsidiary or a financial asset is less than its cost and the financial health of and near-term business outlook for the investment in subsidiary or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

3.2 Key sources of estimation uncertainty

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

Allowance for inventory obsolescence

Inventories are stated at the lower of cost and net realisable value. The management primarily determines cost of inventories using the "first-in-first-out" method. The management estimates the net realisable value of inventories based on assessment of receipt or committed sales prices and provides for excess and obsolete inventories based on historical and estimated future demand and related pricing. In determining excess quantities, the management considers recent sales activities, related margin and market positioning of its products. However, factors beyond its control, such as demand levels and pricing competition, could change from period to period. Such factors may require the Group to reduce the value of its inventories. The carrying amount of the Group's inventories as at 30 June 2015 was approximately $12,116,000 (2014: $17,119,000).

Allowance for doubtful receivables

The management establishes allowance for doubtful receivables on a case-by-case basis when it believes that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to the customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 30 June 2015 were approximately $4,486,000 and $5,096,000 (2014: $7,563,000 and $6,182,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

4. Intangible assets

	Club membership $'000	Trademarks $'000	Website development costs $'000	Total $'000
Group				
Cost				
Balance at 1 July 2014	**223**	**75**	**54**	**352**
Additions	**–**	**8**	**2**	**10**
Balance at 30 June 2015	**223**	**83**	**56**	**362**
Accumulated amortisation				
Balance at 1 July 2014	**223**	**7**	**3**	**233**
Amortisation for the financial year	**–**	**8**	**37**	**45**
Balance at 30 June 2015	**223**	**15**	**40**	**278**
Carrying amount				
Balance at 30 June 2015	**–**	**68**	**16**	**84**
Cost				
Balance at 1 July 2013	223	–	–	223
Additions	–	75	54	129
Balance at 30 June 2014	223	75	54	352
Accumulated amortisation				
Balance at 1 July 2013	112	–	–	112
Amortisation for the financial year	111	7	3	121
Balance at 30 June 2014	223	7	3	233
Carrying amount				
Balance at 30 June 2014	–	68	51	119

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

4. Intangible assets (Continued)

	Club membership $'000
Company	
Cost	
Balance at 1 July 2014 and 30 June 2015	**223**
Accumulated amortisation	
Balance at 1 July 2014 and 30 June 2015	**223**
Carrying amount	
Balance at 1 July 2014 and 30 June 2015	**–**
Cost	
Balance at 1 July 2013 and 30 June 2014	223
Accumulated amortisation	
Balance at 1 July 2013	112
Amortisation for the financial year	111
Balance at 30 June 2014	223
Carrying amount	
Balance at 30 June 2014	–

As at the end of the financial year, the transferable club membership rights are held in trust by a Director of the Company.

Amortisation of intangible assets is included in “administrative expenses” line item in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

5. **Plant and equipment**

	Demo equipment $'000	Office equipment $'000	Furniture and fittings $'000	Renovation $'000	Motor vehicles $'000	Total $'000
Group						
Cost						
Balance at 1 July 2014	**50**	**1,606**	**863**	**4,586**	**408**	**7,513**
Additions	**–**	**112**	**197**	**758**	**–**	**1,067**
Disposal	**–**	**(73)**	**–**	**(7)**	**–**	**(80)**
Written off	**–**	**(39)**	**–**	**(785)**	**–**	**(824)**
Currency translation adjustment	**–**	**(25)**	**(43)**	**(48)**	**–**	**(116)**
Balance at 30 June 2015	**50**	**1,581**	**1,017**	**4,504**	**408**	**7,560**
Accumulated depreciation						
Balance at 1 July 2014	**50**	**1,308**	**619**	**3,730**	**201**	**5,908**
Depreciation for the financial year	**–**	**200**	**183**	**686**	**56**	**1,125**
Disposal	**–**	**(66)**	**–**	**(6)**	**–**	**(72)**
Written off	**–**	**(25)**	**–**	**(749)**	**–**	**(774)**
Currency translation adjustment	**–**	**(20)**	**(34)**	**(38)**	**–**	**(92)**
Balance at 30 June 2015	**50**	**1,397**	**768**	**3,623**	**257**	**6,095**
Carrying amount						
Balance at 30 June 2015	**–**	**184**	**249**	**881**	**151**	**1,465**
Cost						
Balance at 1 July 2013	50	1,490	743	4,400	408	7,091
Additions	–	135	134	201	–	470
Disposal	–	(3)	–	–	–	(3)
Written off	–	(6)	–	–	–	(6)
Currency translation adjustment	–	(10)	(14)	(15)	–	(39)
Balance at 30 June 2014	50	1,606	863	4,586	408	7,513
Accumulated depreciation						
Balance at 1 July 2013	50	1,054	459	2,981	145	4,689
Depreciation for the financial year	–	267	170	759	56	1,252
Disposal	–	(3)	–	–	–	(3)
Written off	–	(3)	–	–	–	(3)
Currency translation adjustment	–	(7)	(10)	(10)	–	(27)
Balance at 30 June 2014	50	1,308	619	3,730	201	5,908
Carrying amount						
Balance at 30 June 2014	–	298	244	856	207	1,605

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

5. Plant and equipment (Continued)

	Demo equipment $'000	Office equipment $'000	Furniture and fittings $'000	Renovation $'000	Motor vehicles $'000	Total $'000
Company						
Cost						
Balance at 1 July 2014	**31**	**322**	**178**	**360**	**408**	**1,299**
Additions	**–**	**3**	**–**	**–**	**–**	**3**
Disposal	**–**	**(6)**	**–**	**–**	**–**	**(6)**
Balance at 30 June 2015	**31**	**319**	**178**	**360**	**408**	**1,296**
Accumulated depreciation						
Balance at 1 July 2014	**31**	**273**	**84**	**133**	**201**	**722**
Depreciation for the financial year	**–**	**30**	**41**	**120**	**56**	**247**
Disposal	**–**	**(5)**	**–**	**–**	**–**	**(5)**
Balance at 30 June 2015	**31**	**298**	**125**	**253**	**257**	**964**
Carrying amount						
Balance at 30 June 2015	**–**	**21**	**53**	**107**	**151**	**332**
Cost						
Balance at 1 July 2013	31	311	115	360	408	1,225
Additions	–	11	63	–	–	74
Balance at 30 June 2014	31	322	178	360	408	1,299
Accumulated depreciation						
Balance at 1 July 2013	31	237	44	13	145	470
Depreciation for the financial year	–	36	40	120	56	252
Balance at 30 June 2014	31	273	84	133	201	722
Carrying amount						
Balance at 30 June 2014	–	49	94	227	207	577

As at 30 June 2015, the carrying amounts of motor vehicles of the Group and the Company which were acquired under finance lease arrangements were approximately $Nil (2014: $191,000). Finance leased assets are pledged as securities for the related finance lease payables (Note 13).

As at 30 June 2015, a motor vehicle with carrying amount of approximately $140,000 (2014: $191,000) was registered in the name of a Director of the Company who is holding the motor vehicle in trust for the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

5. Plant and equipment (Continued)

For the purpose of consolidated statement of cash flows, the Group's additions to plant and equipment were financed as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Additions of plant and equipment	**1,067**	470
Provision for reinstatement costs	**(25)**	(47)
Cash payments to acquire plant and equipment	**1,042**	423

6. Investments in subsidiaries

	Company	
	2015	**2014**
	$'000	**$'000**
Unquoted equity investments, at cost	**3,476**	3,476
Allowance for impairment loss	**(2,642)**	(2,642)
	834	834

Movement in allowance for impairment loss of investments in subsidiaries is as follows:

	Company	
	2015	**2014**
	$'000	**$'000**
Balance at beginning of financial year	**2,642**	2,607
Impairment loss recognised during the financial year	**–**	35
Balance at end of financial year	**2,642**	2,642

The Management carried out a review of the investments in subsidiaries, having regard for indicators of impairment on investments in subsidiaries based on the existing performance of subsidiaries at the end of each financial year. The assessment was made with reference to the net assets value of the subsidiaries which best represented the fair value less costs of disposal. The review led to the recognition of an impairment loss of $Nil (2014: $35,000) which was recognised in "administrative expenses" line item in statement of comprehensive income of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

6. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows:

Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interests	
			2015 %	2014 %	2015 %	2014 %
Epicentre Solutions Pte. Ltd.(1)	Singapore	Providing IT solutions to educational institutions within Singapore	**100**	100	**–**	–
Epicentre Pte. Ltd.(1)	Singapore	Retail of Apple brand and complementary products	**100**	100	**–**	–
Epicentre Lifestyle Sdn. Bhd.(2)	Malaysia	Retail of Apple brand and complementary products	**100**	100	**–**	–
Epi Lifestyle Pte. Ltd.(1)	Singapore	Retail, trading, repair and service of consumer electronics and digital lifestyle products	**100**	100	**–**	–
Epicentre (Shanghai) Co., Ltd.(3)	People's Republic of China	Retail of Apple brand and complementary products	**87**	87	**13**	13

(1) Audited by BDO LLP, Singapore

(2) Audited by BDO, Malaysia, a member firm of BDO International Limited

(3) The subsidiary ceased operation in 2013 and not considered as significant subsidiary under Rule 718 of the Listing manual – Section B, Rules of Catalist of the Singapore Exchange Securities Trading Limited

7. Inventories

	Group 2015 $'000	Group 2014 $'000
Trading goods	**12,116**	17,119

The cost of inventories recognised as an expense and included in "cost of sales" line item in profit or loss amounted to approximately $161,696,000 (2014: $155,223,000).

As at 30 June 2015, the Group carried out a review of the realisable values of its inventories and the review led to the recognition of an allowance for obsolete inventories and inventories written off of approximately $830,000 and $37,000 (2014: $190,000 and $4,000) respectively that have been included in "administrative expenses" line item in profit or loss.

8. Trade and other receivables

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables – third parties	**2,269**	2,701	**11**	–
Allowance for impairment loss	**(9)**	–	**–**	–
	2,260	2,701	**11**	–
Due from subsidiaries – non-trade	**–**	–	**9,320**	7,973
Allowance for impairment loss	**–**	–	**(1,792)**	(1,792)
	–	–	**7,528**	6,181
Other receivables	**748**	637	**23**	–
Rental and other deposits	**1,478**	1,758	**1**	1
Total trade and other receivables	**4,486**	5,096	**7,563**	6,182
Add:				
Cash and cash equivalents (Note 9)	**5,171**	6,063	**448**	321
Total loans and receivables	**9,657**	11,159	**8,011**	6,503

Trade receivables are unsecured, interest-free and generally on 30 to 60 days (2014: 30 to 60 days) credit terms.

The Group wrote off trade amounts due from third parties amounting to approximately $1,000 (2014: $31,000) which was recognised subsequent to a debt recovery assessment performed during the year.

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

Movement in allowance for impairment loss on third parties trade receivables was as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Balance at beginning of financial year	**–**	–
Impairment loss recognised during the financial year	**9**	–
Balance at end of financial year	**9**	–

The Group's allowance for impairment loss on individual third parties trade receivables of approximately $9,000 (2014: $Nil) was recognised subsequent to a debt recovery assessment performed during the financial year. Allowances made in respect of estimated irrecoverable amounts are determined by reference to past default experience.

8. Trade and other receivables (Continued)

Movement in allowance for impairment loss on non-trade amounts due from subsidiaries was as follows:

	Company	
	2015	2014
	$'000	$'000
Balance at beginning of financial year	**1,792**	–
Impairment loss recognised during the financial year	**–**	1,792
Balance at end of financial year	**1,792**	1,792

An allowance for impairment loss on non-trade amounts due from subsidiaries amounting to approximately $Nil (2014: $1,792,000) arose mainly from subsidiaries which have suffered significant losses from their operations where it is not probable that the balances due from these subsidiaries will be recoverable.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore dollar	**3,825**	4,724	**6,740**	4,810
United States dollar	**50**	46	**–**	–
Ringgit Malaysia	**611**	326	**823**	1,372
	4,486	5,096	**7,563**	6,182

9. Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Fixed deposit with a bank	**10**	10	**–**	–
Cash and bank balances	**5,161**	6,053	**448**	321
Cash and cash equivalents	**5,171**	6,063	**448**	321

Fixed deposit matures within 1 (2014: 1) month from the end of the financial year. The effective interest rate of the fixed deposit is 0.05% (2014: 0.05%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

9. Cash and cash equivalents (Continued)

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Singapore dollar	**2,541**	3,554	**406**	276
United States dollar	**189**	431	**42**	45
Ringgit Malaysia	**2,440**	2,077	**–**	–
Chinese renminbi	**1**	1	**–**	–
	5,171	6,063	**448**	321

10. Trade and other payables

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables – third parties	**7,773**	9,522	**–**	28
Deposits placed by customers	**354**	348	**1**	1
Accrued operating expenses	**704**	891	**235**	327
Other payables – third parties	**588**	772	**5**	4
Due to subsidiaries – non trade	**–**	–	**6,479**	2,628
Total trade and other payables	**9,419**	11,533	**6,720**	2,988
Add:				
Finance lease payables (Note 13)	**–**	6	**–**	6
Bank borrowings (Note 14)	**7,104**	9,116	**1,264**	2,862
Less:				
Goods and services tax payable	**(137)**	(337)	**–**	(28)
Deposits placed by customers	**(354)**	(348)	**(1)**	(1)
Total financial liabilities carried at amortised cost	**16,032**	19,970	**7,983**	5,827

Trade payables are unsecured, interest-free and are normally settled between 30 to 60 days (2014: 30 to 60 days).

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

10. Trade and other payables (Continued)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore dollar	**7,821**	8,732	**6,720**	2,988
Ringgit Malaysia	**1,098**	2,347	**–**	–
Chinese renminbi	**500**	454	**–**	–
	9,419	11,533	**6,720**	2,988

11. Provisions

	Group	
	2015	2014
	$'000	$'000
Provision for reinstatement costs		
Balance at beginning of financial year	**329**	282
Provision made during the financial year	**25**	47
Utilisation during the financial year	**(45)**	–
Reversal of provision not utilised	**(40)**	–
Balance at end of financial year	**269**	329

The provision for reinstatement costs are the estimated costs of dismantlement, removal or restoration of plant and equipment arising from the use of assets which are capitalised and included in the cost of plant and equipment.

12. Deferred revenue

	Group	
	2015	2014
	$'000	$'000
Non-current:		
Membership fee	**104**	–
Current:		
Customer loyalty award	**165**	8
Membership fee	**113**	–
	278	8

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

12. Deferred revenue (Continued)

The Group operates the Epicentre Loyalty Programme, where every dollar on the purchase of the Group's products entitles the member to earn one reward point. Reward points accumulated can be used to redeem cash vouchers. The movement in the deferred revenue is as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Customer loyalty award		
Balance at beginning of the financial year	**8**	8
Revenue deferred during the financial year	**165**	8
Recognised in profit or loss during the financial year	**(8)**	(8)
Balance at end of the financial year	**165**	8

The Group operates the Epitude Membership Scheme, where membership fees are received from members at the start of the membership scheme for a period of 2 years.

	Group	
	2015	**2014**
	$'000	**$'000**
Membership fee		
Balance at beginning of the financial year	**–**	–
Revenue deferred in respect of membership fees received	**217**	–
Balance at end of the financial year	**217**	–

13. Finance lease payables

	Minimum lease payments $'000	Future finance charges $'000	Present value of minimum lease payments $'000
Group and Company			
2014			
Current liabilities			
Within one financial year	6	–	6

In the previous financial year, the finance lease term was 3 years and the effective interest rate for finance lease obligation was 3.60% per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

13. Finance lease payables (Continued)

Interest rates were fixed at contract date and thus expose the Group and the Company to fair value interest rate risk. All leases were on a fixed repayment basis and no arrangements had been entered into for contingent rental payments.

The Group's and the Company's obligations under finance leases were secured by the leased assets, which will revert to the lessors in the event of default by the Group and the Company.

The finance lease payables were denominated in Singapore dollar.

14. Bank borrowings

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Unsecured				
Invoice financings	**5,840**	6,254	**–**	–
Short term bank loan	**1,264**	2,862	**1,264**	2,862
	7,104	9,116	**1,264**	2,862

Invoice financings bear interests from 2.42% to 2.93% (2014: 1.92% to 1.95%) per annum and repayable within 1 to 3 months (2014: 1 month) from the end of the financial year. As at 30 June 2015, invoice financings are supported by the corporate guarantee provided by the Company.

Short term bank loan relates to a monthly revolving credit facility, which is unsecured and bears interest from 2.37% to 3.43% (2014: 2.37% to 2.38%) per annum.

The bank borrowings are denominated in Singapore dollar.

15. Deferred tax liabilities

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Balance at beginning and end of financial year	**69**	69	**15**	15

Deferred tax liabilities arise as a result of temporary differences between the tax written down values and the carrying amounts of plant and equipment.

16. Share capital

	Group and Company			
	2015	2014	2015	2014
	Number of ordinary shares		$'000	$'000
Issued and fully-paid:				
Balance at beginning and end of financial year	**93,501,600**	93,501,600	**6,709**	6,709

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

17. Treasury shares

	Group and Company			
	2015	2014	2015	2014
	Number of ordinary shares		$'000	$'000
Issued and fully-paid:				
Balance at beginning and end of financial year	**227,000**	227,000	**69**	69

18. Foreign currency translation account

The foreign currency translation account comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency and is non-distributable.

19. Revenue

	Group	
	2015	2014
	$'000	$'000
Sales of goods	**178,054**	172,255
Rendering of services	**444**	117
	178,498	172,372

20. Other income

	Group	
	2015	2014
	$'000	$'000
Government grants	**199**	214
Rebates	**481**	729
Membership fee income	**61**	257
Sponsorship income	**948**	867
Commission income	**123**	109
Others	**186**	172
	1,998	2,348

21. Finance costs

	Group	
	2015	**2014**
	$'000	**$'000**
Interest expense		
– bank borrowings	**176**	128
– finance lease payables	**1**	4
	177	132

22. Loss before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges/(credits):

	Group	
	2015	**2014**
	$'000	**$'000**
Administrative expenses		
Allowance for inventory obsolescence	**830**	190
Amortisation of intangible assets	**45**	121
Third parties trade receivables written off	**1**	31
Depreciation of plant and equipment	**1,125**	1,252
Directors' fees – Directors of the Company	**215**	245
Foreign exchange loss, net	**300**	36
Gain on disposal of plant and equipment	**(3)**	–
Reversal of provision for reinstatement costs not utilised	**(40)**	–
Inventories written off	**37**	4
Plant and equipment written off	**50**	3
Allowance for impairment loss on third parties trade receivables	**9**	–
Audit fees paid to auditors		
– auditors of the Company	**78**	75
– other auditors	**8**	8
Non-audit fees paid to auditors		
– auditors of the Company	**20**	21
– other auditors	**2**	1
Operating lease expenses		
– minimum lease payments	**6,293**	6,456
– contingent rents	**206**	141
Employee benefits expense		
– salaries, wages and bonuses	**5,617**	6,372
– contributions to defined contribution plans	**678**	665
– other employee benefits	**819**	814
Selling and distribution costs		
Advertising and promotion	**471**	996
Commission expenses	**759**	655
Credit card charges	**1,810**	1,865

Included in the employee benefits expense were key management personnel's remuneration as shown in Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

23. Income tax expense

	Group	
	2015	2014
	$'000	$'000
Current income tax		
– current financial year	**338**	123
– over provision in prior financial years	**(61)**	(18)
	277	105

Reconciliation of effective income tax rate

	Group	
	2015	2014
	$'000	$'000
Loss before income tax	**(2,598)**	(2,790)
Income tax calculated at Singapore's statutory income tax rate of 17% (2014: 17%)	**(442)**	(474)
Effect of different income tax rate in other countries	**79**	7
Tax effect of expenses not deductible for income tax purposes	**830**	109
Tax effect of income not subject for tax purposes	**(6)**	(3)
Deferred tax asset not recognised in profit or loss	**110**	552
Utilisation of deferred tax asset previously not recognised	**(234)**	(39)
Over provision of current income tax in prior financial years	**(61)**	(18)
Enhanced income tax deduction	**(10)**	(22)
Others	**11**	(7)
	277	105

Unrecognised deferred tax assets

	Group	
	2015	2014
	$'000	$'000
Balance at beginning of financial year	**826**	455
Amount not recognised during the financial year	**110**	552
Utilisation of deferred tax asset previously not recognised	**(234)**	(39)
Unrecognised deferred tax asset overstated	**(23)**	(142)
Balance at end of financial year	**679**	826

23. Income tax expense (Continued)

Unrecognised deferred tax assets (Continued)

The unrecognised deferred tax assets are attributable to the following temporary differences:

	Group	
	2015	**2014**
	$'000	**$'000**
Excess of net book value over tax written down value of plant and equipment	**258**	163
Unutilised tax losses	**374**	653
Others	**47**	10
	679	826

At the end of the financial year, the Group had unutilised tax losses amounting to approximately $2,200,000 (2014: $3,841,000), which are subject to agreement with the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Company and its subsidiaries operate.

These tax benefits have not been recognised in the financial statements due to the uncertainty of the sufficiency of future taxable profits to be generated for this subsidiary in the foreseeable future. The use of these potential tax benefits is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation of the country in which the subsidiaries operates.

24. Loss per share

The calculation for loss per share is based on:

	Group	
	2015	**2014**
Group		
Loss for the financial year attributable to owners of the parent ($'000)	**(2,875)**	(2,895)
Actual number of ordinary shares ('000)	**93,275**	93,275
Basic and diluted loss per share (in cents)	**(3.08)**	(3.10)

Basic loss per share is calculated by dividing loss for the financial year attributable to owners of the parent by the actual number of ordinary shares in issue during the financial year. As the Group has no dilutive potential ordinary shares, the diluted loss per share is equivalent to basic loss per share for the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

25. Operating lease commitments

As at the end of the financial year, lease commitments in respect of non-cancellable rental payable of premises and office equipment were as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Within one financial year	**5,092**	5,140	**41**	41
After one financial year but within five financial years	**2,933**	4,084	**110**	148
	8,025	9,224	**151**	189

The above operating lease commitments are based on existing rental rates. Some of the operating leases of premises provide for rentals based on percentage of sales derived from the rented premises. The Group and the Company have the options to renew certain agreements on the lease premises for another 3 years.

26. Dividends

The Company did not recommend any dividend in respect of the financial year ended 30 June 2015 and 2014.

27. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following condition applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

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

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

27. Significant related party transactions (Continued)

(b) An entity is related to the Group and the Company if any of the following condition applies: (Continued)

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

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

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

The Group's and the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
With a Director of the Company				
Rent expense paid to a Director	**54**	55	**–**	–
Subsidiaries				
Management fee income	**–**	–	**–**	5,558
Dividend income	**–**	–	**3,000**	–

Compensation of key management personnel

The remuneration of the key management personnel of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Directors of the Company				
Directors' fees	**215**	245	**215**	245
Short-term benefits	**625**	1,557	**625**	1,557
Post-employment benefits	**20**	28	**20**	28
	860	1,830	**860**	1,830
Directors of a subsidiary				
Short-term benefits	**105**	103	**–**	–
Post-employment benefits	**12**	11	**–**	–
	117	114	**–**	–
Other key management personnel				
Short-term benefits	**677**	545	**677**	545
Post-employment benefits	**50**	41	**50**	41
	727	586	**727**	586

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

27. Significant related party transactions (Continued)

Compensation of key management personnel (Continued)

A motor vehicle and club membership of the Company will be transferred to a Director of the Company as stated in the service agreement. The depreciation of a motor vehicle and amortisation of club membership of $51,000 and $Nil (2014: $51,000 and $111,000) respectively are included in the short-term benefits as benefit-in-kind of the Director of the Company.

28. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of the segments separately for the purpose of making decision about resources to be allocated and of assessing performance. Segments performances are evaluated based on operation profit or loss which is similar to the accounting profit or loss.

The Group has two reportable segments being Apple brand products and third party and proprietary brand complementary products.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customers group. They are managed separately because each business unit requires different market strategies.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. Management evaluates performance on the basis of profit or loss from operations before income tax expense not including corporate expenses, non-recurring gains and losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

Segment revenue includes transfers between operating segments are on agreed terms between the operating segments. All inter-segment sales are eliminated on consolidation.

	Apple brand $'000	Third party brand $'000	Group $'000
2015			
Revenue			
External parties	**159,797**	**18,701**	**178,498**
Results[1]			
Segment results	**1,424**	**158**	**1,582**
Unallocated expenses			**(4,003)**
Finance costs			**(177)**
Loss before income tax			**(2,598)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

28. Segment information (Continued)

	Apple brand $'000	Third party brand $'000	Group $'000
Other material non-cash expenses			
Allowance for inventory obsolescence	**(747)**	**(83)**	**(830)**
Depreciation	**(1,013)**	**(112)**	**(1,125)**
Amortisation of intangible assets	**(41)**	**(4)**	**(45)**
Allowance for impairment loss on third parties trade receivables	**(8)**	**(1)**	**(9)**
Third parties trade receivables written off	**(1)**	**–**	**(1)**
Inventories written off	**(33)**	**(4)**	**(37)**
Plant and equipment written off	**(45)**	**(5)**	**(50)**
Reversal of provision for reinstatement costs not utilised	**36**	**4**	**40**
Capital expenditure			
Plant and equipment	**960**	**107**	**1,067**
Intangible assets	**9**	**1**	**10**
2014			
Revenue			
External parties	154,916	17,456	172,372
Results(1)			
Segment results	2,122	236	2,358
Unallocated expenses			(5,016)
Finance costs			(132)
Loss before income tax			(2,790)
Other material non-cash expenses			
Allowance for inventory obsolescence	(171)	(19)	(190)
Depreciation	(1,126)	(126)	(1,252)
Amortisation of intangible assets	(109)	(12)	(121)
Third parties trade receivables written off	(28)	(3)	(31)
Inventories written off	(4)	–	(4)
Plant and equipment written off	(3)	–	(3)
Capital expenditure			
Plant and equipment	423	47	470
Intangible assets	116	13	129

(1) Other than revenue and costs of goods sold which can be directly attributable to each operating segment, all other income and expenses except for finance costs are allocated based on each operating segment's proportion of sales for the financial year.

28. Segment information (Continued)

	Apple brand $'000	Third party brand $'000	Elimination $'000	Total $'000
2015				
Segment assets	**34,096**	**3,789**	**(14,424)**	**23,461**
Segment liabilities	**33,670**	**3,741**	**(20,237)**	**17,174**
Current income tax payable				**89**
Deferred tax liabilities				**69**
				17,332
2014				
Segment assets	39,487	4,387	(13,540)	30,334
Current income tax recoverable				118
				30,452
Segment liabilities	31,190	3,466	(13,664)	20,992
Current income tax payable				70
Deferred tax liabilities				69
				21,131

Geographical information

The Group's business segments operate in two main geographical areas. Revenue is based on the countries in which the customers are located.

	Singapore $'000	Malaysia $'000	Group $'000
2015			
Total revenue from external parties	**145,620**	**32,878**	**178,498**
Non-current assets	**1,142**	**407**	**1,549**
2014			
Total revenue from external parties	138,810	33,562	172,372
Non-current assets	1,567	157	1,724

Non-current assets shown by the geographical area in which the assets are located.

Major customers

The Group does not have any major customer whose revenue is 10% or more of the Group's revenue.

29. Financial instruments and financial risks

The Group's activities expose it to credit risks, market risks (including foreign currency risks and interest rate risks) and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

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

29.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics on trade receivables from third parties. The Company has significant credit exposure arising from the non-trade amounts due from subsidiaries amounting to approximately $7,528,000 (2014: $6,181,000) as at the end of the financial year.

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

The Group's and the Company's major classes of financial assets are cash and cash equivalents and trade and other receivables.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track records within the Group. The Group's historical experience in the collection of receivables falls within the credit terms. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

The table below is the age analysis of trade receivables as at the end of the financial year that are past due but not impaired:

	Group	
	2015	**2014**
	$'000	**$'000**
Past due 61 to 90 days	**270**	422
Past due more than 90 days	**145**	167

29. Financial instruments and financial risks (Continued)

29.2 Market risk

(i) Foreign currency risk

The Group incurs foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group.

The Group does not have a formal hedging policy against foreign exchange fluctuations. The Group continuously monitors the exchange rates on a daily basis so as to realise the currencies at the most favourable exchange rate.

As at the end of the financial year, the net carrying amounts of financial assets and liabilities denominated in currencies other than the respective group entities' functional currencies were as follows:

Group	← Financial assets →		← Financial liabilities →					
	Trade and other receivables $'000	Cash and cash equivalents $'000	Trade and other payables $'000	Finance lease payables $'000	Bank borrowings $'000	Net financial assets/ (liabilities) $'000	Net financial assets/(liabilities) denominated in the respective entities functional currencies $'000	Currency exposure $'000
2015								
Singapore dollar	**3,825**	**2,541**	**(7,354)**	**–**	**(7,104)**	**(8,092)**	**(8,092)**	
United States dollar	**50**	**189**	**–**	**–**	**–**	**239**	**–**	**239**
Ringgit Malaysia	**611**	**2,440**	**(1,074)**	**–**	**–**	**1,977**	**1,977**	**–**
Chinese renminbi	**–**	**1**	**(500)**	**–**	**–**	**(499)**	**(499)**	**–**
	4,486	**5,171**	**(8,928)**	**–**	**(7,104)**	**(6,375)**		
2014								
Singapore dollar	4,724	3,554	(9,383)	(6)	(9,116)	(10,227)	(10,227)	–
United States dollar	46	431	–	–	–	477	–	477
Ringgit Malaysia	326	2,077	(1,011)	–	–	1,392	1,392	–
Chinese renminbi	–	1	(454)	–	–	(453)	(453)	–
	5,096	6,063	(10,848)	(6)	(9,116)	(8,811)		

29. **Financial instruments and financial risks (Continued)**

29.2 **Market risk (Continued)**

(i) Foreign currency risk (Continued)

Company	Financial assets: Trade and other receivables $'000	Financial assets: Cash and cash equivalents $'000	Financial liabilities: Trade and other payables $'000	Financial liabilities: Finance lease payables $'000	Financial liabilities: Bank borrowings $'000	Net financial assets/ (liabilities) $'000	Net financial assets/(liabilities) denominated in the Company's functional currencies $'000	Currency exposure $'000
2015								
Singapore dollar	**6,740**	**406**	**(6,719)**	**–**	**(1,264)**	**(837)**	**(837)**	**–**
United States dollar	**–**	**42**	**–**	**–**	**–**	**42**	**–**	**42**
Ringgit Malaysia	**823**	**–**	**–**	**–**	**–**	**823**	**–**	**823**
	7,563	**448**	**(6,719)**	**–**	**(1,264)**	**28**		
2014								
Singapore dollar	4,810	276	(2,959)	(6)	(2,862)	(741)	(741)	–
United States dollar	–	45	–	–	–	45	–	45
Ringgit Malaysia	1,372	–	–	–	–	1,372	–	1,372
	6,182	321	(2,959)	(6)	(2,862)	676		

29. Financial instruments and financial risks (Continued)

29.2 Market risk (Continued)

(i) Foreign currency risk (Continued)

Foreign currency sensitivity analysis

The Group and the Company are mainly exposed to the United States dollar and Ringgit Malaysia.

The following table details the Group's and the Company's sensitivity to a 10% (2014: 5%) increase and decrease in the United States dollar and Ringgit Malaysia. The 10% (2014: 5%) is used when reporting sensitivity of foreign currency risk. The sensitivity analysis includes only outstanding United States dollar and Ringgit Malaysia monetary items and adjusts their translation at the end of the financial year for a 10% (2014: 5%) change in foreign currency rates.

	Increase/(Decrease) Profit or loss	
	2015	**2014**
Group	**$'000**	**$'000**
United States dollar		
Strengthened against Singapore dollar	**24**	24
Weakened against Singapore dollar	**(24)**	(24)
Company		
United States dollar		
Strengthened against Singapore dollar	**4**	2
Weakened against Singapore dollar	**(4)**	(2)
Ringgit Malaysia		
Strengthened against Singapore dollar	**82**	69
Weakened against Singapore dollar	**(82)**	(69)

The potential impact on profit or loss of the Group and the Company as described in the sensitivity analysis above is attributable mainly to the Group's and the Company's foreign currency exchange rate exposure on financial assets and financial liabilities denominated in United States dollar and Ringgit Malaysia.

(ii) Interest rate risk

The Group's and Company's exposure to market risk for changes in interest rates relates primarily to bank borrowings as shown in Note 14 to the financial statements.

The sensitivity analysis below has been determined based on the exposure to interest rate risks for financial liabilities as at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 0.5% (2014: 0.5%) change in the interest rates from the end of the financial year, with all variables held constant.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

29. Financial instruments and financial risks (Continued)

29.2 Market risk (Continued)

(ii) Interest rate risk (Continued)

	Increase/(Decrease) Profit or loss	
	2015	**2014**
Group	**$'000**	**$'000**
Interest rate		
– increased by 0.5% per annum	**(36)**	(46)
– decreased by 0.5% per annum	**36**	46
Company		
Interest rate		
– increased by 0.5% per annum	**(6)**	(14)
– decreased by 0.5% per annum	**6**	14

29.3 Liquidity risk

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting short-term obligations. Liquidity risks are managed by matching the payment and receipt cycles.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of the overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and available banking facilities to meet their working capital requirements.

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

	Within one financial year $'000
Group	
2015	
Financial liabilities	
Non-interest bearing	
– Trade and other payables	**8,928**
Variable interest bearing	
– Bank borrowings	**7,137**
	16,065

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

29. Financial instruments and financial risks (Continued)

29.3 Liquidity risk (Continued)

	Within one financial year $'000
Group	
2014	
Financial liabilities	
Non-interest bearing	
– Trade and other payables	10,848
Fixed-interest bearing	
– Finance lease payables	6
Variable interest bearing	
– Bank borrowings	9,132
	19,986
Company	
2015	
Financial liabilities	
Non-interest bearing	
– Trade and other payables	**6,719**
Variable interest bearing	
– Bank borrowings	**1,267**
	7,986
Financial guarantee contracts	**5,840**
2014	
Financial liabilities	
Non-interest bearing	
– Trade and other payables	2,959
Fixed-interest bearing	
– Finance lease payables	6
Variable interest bearing	
– Bank borrowings	2,868
	5,833
Financial guarantee contracts	6,254

30. Capital management policies and objectives

The Group and the Company manage their capital to ensure that the Group and the Company will be able to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

The capital structure of the Group and the Company consists of equity attributable to owners of the parent, issued capital, treasury shares, foreign currency translation account and retained earnings/(accumulated losses). To maintain or adjust the capital structure, the Group and the Company may adjust the return capital to shareholders or issue new share, make dividend payment or obtain new borrowings. The Group's and the Company's overall strategy remained unchanged from the previous financial year.

The gearing ratio is calculated as net debt divided by total equity plus debt. Net debt is calculated as bank borrowings, finance lease payables plus trade and other payables less cash and cash equivalents. Equity consists of total equity attributable to the owners of the parent.

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Trade and other payables	**9,419**	11,533	**6,720**	2,988
Bank borrowings	**7,104**	9,116	**1,264**	2,862
Finance lease payables	**–**	6	**–**	6
Cash and cash equivalents	**(5,171)**	(6,063)	**(448)**	(321)
Net debt	**11,352**	14,592	**7,536**	5,535
Equity attributable to owners of the parent	**6,620**	9,750	**1,189**	2,102
Total capital	**17,972**	24,342	**8,725**	7,637
Gearing ratio	**63%**	60%	**86%**	72%

The Group and the Company have no externally imposed capital requirements for the financial years ended 30 June 2015 and 2014.

31. Fair value of financial instruments

Financial instruments whose carrying amount approximate fair value

The carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

32. Contingent liabilities

Bank guarantees

The Company has issued corporate guarantee for bank borrowing of a subsidiary. These bank borrowings amounted to approximately $5,840,000 (2014: $6,254,000) as at end of the financial year. These guarantees are financial guarantee contract as they require the Company to reimburse the banks if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the facilities drawn.

The financial guarantees have not been recognised in the Company's separate financial statements as the Directors have assessed that the impact is immaterial and the requirements to reimburse is remote.

STATISTICS OF SHAREHOLDINGS

AS AT 15 SEPTEMBER 2015

SHAREHOLDERS' INFORMATION

Total number of shares excluding treasury shares	:	93,274,600
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary shares

TREASURY SHARES

Total number of shares held as treasury shares	:	227,000
Voting Rights	:	None
Percentage of holding against the total number of issued shares excluding treasury shares	:	0.24%

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	61	9.53	58,691	0.06
1,001 – 10,000	402	62.81	2,001,200	2.15
10,001 – 1,000,000	166	25.94	10,106,009	10.83
1,000,001 AND ABOVE	11	1.72	81,108,700	86.96
TOTAL	**640**	**100.00**	**93,274,600**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE) LIMITED	55,718,800	59.74
2	GOH ANN ANN JOHNSON	6,110,000	6.55
3	ROWSLEY SPORTS PTE LTD	4,861,000	5.21
4	TEE MAY BUAN OR ONG ENG JOO	3,228,500	3.46
5	DBS NOMINEES (PRIVATE) LIMITED	2,923,000	3.13
6	LIM & TAN SECURITIES PTE LTD	1,875,000	2.01
7	LI CHOW CHIN	1,600,000	1.72
8	LAM WAI HENG	1,387,800	1.49
9	LEONG MEE WAN	1,232,000	1.32
10	NARONG INTANATE	1,100,000	1.18
11	HSBC (SINGAPORE) NOMINEES PTE LTD	1,072,600	1.15
12	BRENDA YEO	630,000	0.68
13	CHEW BEE CHOO	477,000	0.51
14	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	338,000	0.36
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	333,000	0.36
16	ONG JEK YAW	260,000	0.28
17	RUPERT JAMES PHILIP MORTON	258,000	0.28
18	TAY BOON HUAT	255,000	0.27
19	LEONG KOI MAN	243,000	0.26
20	LIM HO KEE	200,000	0.21
	TOTAL	**84,102,700**	**90.17**

STATISTICS OF SHAREHOLDINGS
AS AT 15 SEPTEMBER 2015

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Jimmy Fong Teck Loon[(1)(2)]	55,025,800	58.99	630,000	0.68
Brenda Yeo[(2)]	630,000	0.68	55,025,800	58.99
Johnson Goh Ann Ann	6,110,000	6.55	–	–
Rowsley Sports Pte. Ltd.	4,861,000	5.21	–	–
Rowsley Ltd.[(3)]	–	–	4,861,000	5.21
Garville Pte Ltd[(3)]	–	–	4,861,000	5.21
Lim Eng Hock[(3)]	–	–	4,861,000	5.21

The percentage of shareholding above is computed based on the total issued shares of 93,274,600 excluding treasury shares of the Company.

Notes:

(1) Mr Jimmy Fong Teck Loon has direct interest of 54,969,800 shares held by Credit Suisse AG Singapore through Raffles Nominees Pte Ltd.

(2) Mr Jimmy Fong Teck Loon is deemed to be interested in the 630,000 shares held by his spouse, Ms Brenda Yeo, and vice versa by virtue of Section 7 of the Companies Act, Cap. 50.

(3) Rowsley Ltd, Garville Pte Ltd and Lim Eng Hock are deemed to be interested in the 4,861,000 shares held by Rowsley Sports Pte. Ltd. by virtue of Section 7 of the Companies Act, Cap. 50.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

28.46% of the Company's total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B Rules of Catalist of the SGX-ST.

ADDENDUM

ADDENDUM DATED 14 October 2015

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This addendum (the "**Addendum**") is circulated to the shareholders of Epicentre Holdings Limited (the "**Company**") together with the Company's annual report for financial year ended 30 June 2015. The purpose of this Addendum is to provide the shareholders of Epicentre Holdings Limited with relevant information relating to and to seek shareholders' approval to renew the share buyback mandate to be tabled at the Annual General Meeting to be held at 39 Ubi Road 1 #08-01 World Publications Building Singapore 408695 on 29 October 2015 at 10:00 a.m.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately send this Addendum, the Notice of Annual General Meeting and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Notice of the Annual General Meeting and the Proxy Form are enclosed with the Annual Report 2015.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") has not examined the contents of this Addendum. The SGX-ST assumes no responsibility for the contents of this Addendum, including the correctness of any of the statements or opinions made or reports contained in this Addendum.

This Addendum has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), RHT Capital Pte. Ltd. for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this Addendum including the correctness of any of the figures used, statements or opinions made. The contact person for the Sponsor is Mr Lin Song with his address at Six Battery Road #10-01, Singapore 049909 and Telephone: 6381-6757.

epiCentre
Mac & More

Epicentre Holdings Limited
(Company Registration No: 200202930G)
(Incorporated in the Republic of Singapore)

ADDENDUM TO ANNUAL REPORT IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

ADDENDUM

DEFINITIONS

In this Addendum, the following definitions apply throughout unless otherwise stated.

"ACRA"	:	Accounting and Corporate Regulatory Authority
"Act" or "Companies Act"	:	Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Addendum"	:	This addendum to the Annual Report dated 14 October 2015 in relation to the proposals set out in paragraph 1.1
"AGM" or "Annual General Meeting"	:	The annual general meeting of the Company to be held at 39 Ubi Road 1, World Publications Building, #08-01, Singapore 408695 on 29 October 2015 at 10:00 a.m. to approve, inter-alia, the adoption of a share buy back mandate in accordance with the terms and conditions as set out in this Addendum as well as the Companies Act and the Catalist Rules.
"Articles"	:	The articles of association of the Company
"Board"	:	The board of Directors of the Company for the time being
"Catalist Rules"	:	The provisions of Section B: Rules of Catalist of the SGX-ST of the Listing Manual, as amended, supplemented or modified from time to time
"Company"	:	Epicentre Holdings Limited
"CDP"	:	The Central Depository (Pte) Limited
"Directors"	:	The directors of the Company as at the date of this Addendum
"EPS"	:	Earnings per Share
"FY"	:	The financial year ended or ending 30 June (as the case may be) unless otherwise specified
"Group"	:	The Company and its Subsidiaries as at the date of this Addendum
"Latest Practicable Date"	:	30 September 2015, being the latest practicable date prior to the printing of this Addendum
"Listing Manual"	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Notice of AGM"	:	The Notice of AGM as set out on pages 113 to 117 of this Annual Report

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"NTA"	:	Net tangible asset
"October 2013 AGM"	:	The annual general meeting of the Company held on 29 October 2015.
"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
"SGX Catalist" or "Catalist"	:	Catalist, a market regulated by the SGX-ST, formerly known as the SGX-ST Dealing and Automated Quotation System
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Buy Back"	:	A purchase of Shares by the Company pursuant to the Share Buy Back Mandate
"Share Buy Back Mandate"	:	The general mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire, on behalf of the Company, its issued Shares on the terms of such mandate
"Shareholders"	:	Registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares
"Shares"	:	Ordinary shares in the share capital of the Company
"Sponsor"	:	RHT Capital Pte. Ltd.
"Substantial Shareholder"	:	A person who holds directly or indirectly not less than five per cent. (5%) of the total number of issued Shares (excluding Treasury Shares)
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
"Treasury Shares"	:	Issued Shares of the Company which have been (or are treated as having been) purchased by the Company in circumstances under which Section 76H of the Act applies and which have since purchase been continuously held by the Company

Currencies, Units and Others

"S$" and "cents"	:	Singapore dollars and cents respectively, being the lawful currency of the Republic of Singapore
"%" or "per cent."	:	Per centum or percentage

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The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 130A of the Act.

The term "**Subsidiary**" shall have the meaning ascribed to it in Section 5 of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons, where applicable, shall include corporations.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act or the Catalist Rules (or any modification thereof) and used in this Addendum shall, where applicable, have the same meaning assigned to it under the Act or the Catalist Rules (or any modification thereof), as the case may be, unless otherwise provided.

Any reference to a time of the day and date in this Addendum shall be a reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancies in the tables included in this Addendum between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Addendum may not be an arithmetic aggregation of the figures that precede them.

ADDENDUM

EPICENTRE HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200202930G)

Directors

Jimmy Fong Teck Loon (Executive Chairman and Chief Executive Officer)
Brenda Yeo (Executive Director)
Siow Chee Keong (Lead Independent Director)
Ron Tan Aik Ti (Independent Director)
Azman Hisham Bin Jaafar (Independent Director)

Registered Office

39 Ubi Road 1
#08-01 World Publications Building
Singapore 408695
Tel No: +65 6601 9100
Fax No: +65 6601 9133

14 October 2015

To: The Shareholders of Epicentre Holdings Limited

Dear Sir/Madam

We refer to item 9 of the Notice of AGM for the Company, which is an ordinary resolution to be proposed at the AGM for the renewal of the Company's Share Buy Back Mandate ("**Resolution 9**"). The purpose of this Addendum is to provide Shareholders with information relating to Resolution 9.

1 THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

1.1 Background

At the October 2014 AGM, Shareholders had approved, *inter-alia*, the renewal of a Share Buy Back Mandate to enable the Company to purchase or otherwise acquire Shares. The Share Buy Back Mandate approved at the 2014 AGM will expire on 29 October 2015. Therefore, the Directors propose that the Share Buy Back Mandate be renewed at the forthcoming AGM.

Approval is being sought from Shareholders at the AGM for the adoption of a Share Buy Back Mandate for the purchase or otherwise acquisition by the Company of its issued Shares. If approved, the Share Buy Back Mandate will take effect from the date of the AGM and continue in force until the date of the next annual general meeting of the Company or such date as the next annual general meeting is required by law to be held, unless prior thereto, Share Buy Backs are carried out to the full extent mandated or the Share Buy Back Mandate is revoked or varied by the Company in a general meeting. The Share Buy Back Mandate will be put to Shareholders for renewal at each subsequent annual general meeting of the Company.

The SGX-ST assumes no responsibility for the contents of this Addendum, including the correctness of any of the statements or opinions made or report contained in this Addendum.

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1.2 Rationale for the Share Buy Back Mandate

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:–

(a) Directors and management are constantly seeking to increase Shareholders' value and to improve, *inter-alia,* the return on equity of the Group. The purchase by a company of its issued shares at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced;

(b) The Share Buy Back Mandate will give the Directors the flexibility to purchase or acquire Shares as and when circumstances permit. The Directors believe that the Share Buy Back Mandate provides the Company and its Directors with a mechanism to facilitate the use of surplus cash over and above the Company's ordinary working capital requirements, in an expedient and cost-efficient manner;

(c) The Share Buy Back Mandate will also allow the Directors to exercise greater control over the Company's share capital structure, dividend policy and cash reserves and may lead to an enhancement of EPS and/or NTA per Share of the Company and the Group;

(d) The Directors further believe that a Share Buy Back by the Company may help mitigate short-term market or price volatility, offset the effects of short-term share speculation or demand and bolster Shareholders' confidence; and

(e) The Share Buy Back Mandate will only be exercised as and when the Directors consider it to be in the best interests of the Company taking into consideration factors such as market conditions and funding arrangements as applicable, and in appropriate circumstances which the Directors believe will not result in any material adverse effect on the liquidity, the orderly trading of the Shares and capital adequacy of the Company, taking into account the working capital requirements of the Company or the gearing levels of the Group.

Shareholders should note that purchases of Shares pursuant to the proposed Share Buy Back Mandate may not necessarily be carried out to the full limit as authorised.

1.3 Authority and Limits of the Share Buy Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buy Back Mandate, if renewed at the forthcoming AGM, are the same as previously approved by Shareholders at the 2014 AGM. The authority and limitations, subject to compliance with the Companies Act, Catalist Rules as well as such other rules, laws or regulations as may be applicable, are summarised below:

1.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares which may be purchased or acquired is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares of the Company (ascertained as at the date of annual general meeting), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during a Relevant Period (as defined hereinafter) in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered (excluding any Treasury Shares that may be held by the Company from time to time).

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For illustration purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date of $6,709,000 comprising 93,274,600 Shares (excluding Treasury Shares), and assuming that no further Shares are issued, purchased or acquired by the Company or held as Treasury Shares on or prior to the AGM, not more than 9,327,460 Shares (representing ten per cent. (10%) of the Shares in issue as at the date of the AGM, excluding Treasury Shares) may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate.

1.3.2 Duration of Authority

Purchase of Shares may be made, at any time and from time to time, on and from the date of the AGM at which the Share Buy Back Mandate is approved up to 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 on which the Share Buy Back is carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Buy Back Mandate is revoked or varied by the Company in general meeting.

(the "**Relevant Period**")

1.3.3 Manner of purchase

Purchases or acquisitions of Shares can be effected by the Company by way of:–

(a) on-market purchases ("**Market Purchases**"), transacted through the SGX-ST's trading system on Catalist through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buy Back; and/or

(b) off-market purchases ("**Off-market Purchases**") (if effected otherwise than on Catalist) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by Section 76C of the Act and the Catalist Rules.

In an Off-market Purchase, the Directors may impose such terms and conditions as they consider fit in connection with or in relation to an equal access scheme(s), to the extent that such terms do not conflict with the Share Buy Back Mandate, the Catalist Rules, the Act and other applicable laws and regulations.

Under the Act, an equal access scheme must satisfy all the following conditions:–

(a) offers for the purchases or acquisitions of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;

(b) all of the abovementioned persons have a reasonable opportunity to accept the offers made to them; and

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(c) the terms of all the offers are the same except that there shall be disregarded:–

  (i) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;

  (ii) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

  (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, under the Catalist Rules, in making an Off-market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:–

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed Share Buy Back;

(d) the consequences, if any, of the Share Buy Back that will arise under the Take-over Code or other applicable take-over rules;

(e) whether the Share Buy Back, if made, would have any effect on the listing of the Shares on the Catalist;

(f) details of any Share Buy Back made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased or acquired, the purchase or acquisition price per Share or the highest and lowest prices paid for the purchases or acquisition, where relevant, and the total consideration paid for the purchases or acquisition; and

(g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

1.3.4 Maximum Purchase Price

The purchase price per Share (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares purchased or acquired pursuant to the Share Buy Back Mandate will be determined by the Directors, provided that such purchase price must not exceed:–

(a) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); 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 (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

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For the above purposes:–

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded on the Catalist, immediately preceding the day of Market Purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the Off-market Purchase, and deemed to be adjusted 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 or acquisition of Shares from its Shareholders, stating therein the purchase price (which shall not be more 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.

1.4 Status of purchased Shares

Any Shares purchased or acquired pursuant to the Share Buy Back Mandate will be dealt with in such manner as may be permitted by the Act.

Under Section 76B of the Act, any Share purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share shall expire on cancellation), unless such Share is held by the Company as Treasury Shares in accordance with Sections 76H of the Act. No acquisition by a company of its own shares whether to be held as Treasury Shares or for cancellation may be affected if, on the date on which the acquisition is to be effected there are reasonable grounds for believing that the Company is or after the acquisition would be, unable to pay its liabilities as they become due.

Pursuant and subject to the Act, Shares are deemed to be purchased or acquired on the date on which the Company would become entitled to exercise the rights attached to the Shares.

1.4.1 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Certain of the provisions on treasury shares under the Act are summarised below:

(a) Maximum holding: The aggregate number of Shares held by the Company as Treasury Shares shall not at any time exceed ten per cent. (10%) of the total number of Shares in issue at that time. In the event that the aggregate number of Treasury Shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess Treasury Shares within six (6) months from the day the aforesaid limit is first exceeded.

As at the latest Practical Date, the Company has 227,000 treasury shares.

(b) Voting and other rights: The Company cannot exercise any right in respect of the Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of Treasury Shares. However, the allotment of shares as fully paid bonus shares in respect of the Treasury Shares is allowed. A subdivision or consolidation of any Treasury Share into Treasury Shares of a smaller or larger amount respectively is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

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(c) Disposal or cancellation: Where Shares are held as Treasury Shares, the Company may at any time:

(i) sell the Treasury Shares (or any of them) for cash;

(ii) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to an employees' share scheme;

(iii) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the Treasury Shares (or any of them); or

(v) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister for Finance may by order prescribe.

1.4.2 Purchased or acquired Shares cancelled

Under the Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

(a) reduce the amount of its share capital where the Shares were purchased out of the capital of the Company;

(b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or

(c) reduce the amount of its share capital and profits proportionately where the Shares were purchased out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled. Shares which are cancelled will be automatically delisted, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as Treasury Shares.

1.5 Source of funds

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Articles and in accordance with applicable laws in Singapore.

The Act permits any Share Buy Back to be made out of the Company's capital or profits so long as the Company is solvent. For this purpose, the Company is "solvent" if:–

(a) the Company is able to pay its debts in full at the time of the Share Buy Back and will be able to pay its debts as they fall due in the normal course of business during the period of twelve (12) months immediately following the date of the Share Buy Back; and

(b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the Share Buy Back, become less than the value of its liabilities (including contingent liabilities).

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Further, for the purpose of determining the value of a contingent liability, the Directors or managers of the Company may take into account the following:

(a) the likelihood of the contingency occurring; and

(b) any claim the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company intends to use its internal resources and/or external borrowings to finance purchases of its Shares pursuant to the proposed Share Buy Back Mandate.

1.6 Financial effects

The financial effects on the Company and the Group arising from the Share Buy Back which may be made pursuant to the Share Buy Back Mandate will depend on, *inter-alia*, the aggregate number of Shares purchased or acquired, whether the Share Buy Back is made out of capital or profits of the Company, the purchase price paid for such Shares, whether the Shares purchased or acquired are held in treasury or cancelled and the amount (if any) borrowed by the Company to fund the Share Buy Back.

The financial effects on the Company and the Group, based on the audited financial accounts of the Company and the Group for the financial year ended 30 June 2015 ("**FY2015**"), are based on the assumptions set out below:–

1.6.1 Share Buy Back made out of capital or profits

Where the Share Buy Back is made out of capital, the amount available for distribution as dividends by the Company will not be reduced. Where the Share Buy Back is made out of profits, the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for distribution as dividends by the Company.

1.6.2 Number of, and Maximum Price paid for, Shares purchased or acquired

Based on 93,274,600 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued and no Shares are held by the Company as Treasury Shares on or prior to the forthcoming AGM, the exercise in full of the Share Buy Back will result in the purchase or acquisition of 9,327,460 Shares, representing approximately ten per cent. (10%) of the total number of its issued Shares.

For illustrative purposes only, in the case of Market Purchases by the Company made out entirely of the capital and assuming that the Company purchases or acquires 9,327,460 Shares at the Maximum Price of S$0.174 for each Share (being the price equivalent to five per cent. (5%) above the Average Closing Price of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded on the Catalist, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 9,327,460 Shares is approximately S$1,626,000.

For illustrative purposes only, in the case of Off-market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 9,327,460 Shares at the Maximum Price of S$0.199 for each Share (being the price equivalent to twenty per cent. (20%) above the Average Closing Price of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded on the Catalist, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 9,327,460 Shares is approximately S$1,858,000.

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1.6.3 Illustrative financial effects

It is not possible for the Company to realistically calculate or quantify the financial effects of a Share Buy Back that may be made pursuant to the Share Buy Back Mandate as the resultant effect would depend on, *inter-alia*, the aggregate number of Shares purchased or acquired, whether the Share Buy Back is made out of capital or profits, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, based on the audited financial statements of the Company for FY2015 and the assumptions stated above, assuming that the Share Buy Back is funded solely from Company's cash and assuming that the Company purchases or acquires up to 9,327,460 Shares (representing approximately ten per cent. (10%) of the issued Shares), the effects of the Share Buy Back by way of such Market Purchases and Off-market Purchases on the financial positions of the Group under each of the Scenarios A and B as described below are as follows:

(a) Market Purchases out of capital

	Group			Company		
	Before Share Buy Back ('000)	**After Share Buy Back and cancelled[1] ('000)**	**After Share Buy Back and held as Treasury Shares[1] ('000)**	**Before Share Buy Back ('000)**	**After Share Buy Back and cancelled[1] ('000)**	**After Share Buy Back and held as Treasury Shares[1] ('000)**
As at 30 June 2015						
Total equity	6,129	4,053	4,503	1,189	(437)	(437)
NTA[2]	6,045	4,419	4,419	1,189	(437)	(437)
Current assets	21,912	21,099	21,099	8,022	7,209	7,209
Current liabilities	17,159	17,972	17,972	7,984	8,797	8,797
Working capital	4,753	3,127	3,127	38	(1,588)	(1,588)
Total borrowings[3]	7,104	7,917	7,917	1,264	2,077	2,077
Number of Shares[4]	93,274,600	83,947,140	93,274,600	93,274,600	83,947,140	93,274,600
Financial ratios						
NTA per Share (cents)	6.48	5.26	4.74	1.27	(0.52)	(0.47)
Gearing[5] (%)	115.91	175.80	175.80	106.31	(475.50)	(475.50)
Current ratio[6] (times)	1.28	1.17	1.17	1.00	0.82	0.82

Notes:

(1) The above is calculated on the assumptions that Share Buy Backs by the Group are funded by 50% of internal sources of funds and 50% of current borrowings with no interest charge on the borrowings.

(2) NTA equals total equity less intangible assets.

(3) Total borrowings equal aggregate of short-term loans, long-term loans and finance lease obligations.

(4) Based on issued share capital of 93,274,600 as at 30 June 2015.

(5) Gearing equals total borrowings divided by total equity.

(6) Current ratio equals current assets divided by current liabilities.

(7) All discrepancies in the figures included herein between the listed and total amounts thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures that precede them.

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(b) Off-market Purchases out of capital

	Group			Company		
	Before Share Buy Back ('000)	**After Share Buy Back and cancelled[1] ('000)**	**After Share Buy Back and held as Treasury Shares[1] ('000)**	**Before Share Buy Back ('000)**	**After Share Buy Back and cancelled[1] ('000)**	**After Share Buy Back and held as Treasury Shares[1] ('000)**
As at 30 June 2015						
Total equity	6,129	4,271	4,271	1,189	(669)	(669)
NTA[2]	6,045	4,187	4,187	1,189	(669)	(669)
Current assets	21,912	20,983	20,983	8,022	7,093	7,093
Current liabilities	17,159	18,088	18,088	7,984	8,913	8,913
Working capital	4,753	2,895	2,895	38	(1,820)	(1,820)
Total borrowings[3]	7,104	8,033	8,033	1,264	2,193	2,193
Number of Shares[4]	93,274,600	83,947,140	93,274,600	93,274,600	83,947,140	93,274,600
Financial ratios						
NTA per Share (cents)	6.48	4.99	4.99	1.27	(0.80)	(0.72)
Gearing[5] (%)	115.91	188.08	188.08	106.31	(327.79)	(327.70)
Current ratio[6] (times)	1.28	1.16	1.16	1.00	0.80	0.80

Notes:

(1) The above is calculated on the assumptions that Share Buy Backs by the Group are funded by 50% of internal sources of funds and 50% of current borrowings with no interest charge on the borrowings.

(2) NTA equals total equity less intangible assets.

(3) Total borrowings equal aggregate of short-term loans, long-term loans and finance lease obligations.

(4) Based on issued share capital of 93,274,600 as at 30 June 2015.

(5) Gearing equals total borrowings divided by total equity.

(6) Current ratio equals current assets divided by current liabilities.

(7) All discrepancies in the figures included herein between the listed and total amounts thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures that precede them.

The actual impact will depend on the number and price of the Shares bought back. The Directors do not propose to exercise the Share Buy Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and capital adequacy position of the Company. Share Buy Back will only be effected after assessing the relative impact of the Share Buy Back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares). The Directors will be prudent in exercising the Share Buy Back Mandate only to such extent which the Directors believe will enhance Shareholders' value giving consideration to the prevailing market conditions, the financial position of the Group and other relevant factors.

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Shareholders should note that the financial effects set out above, based on the respective assumptions stated above, are for illustration purposes only and are not necessarily representative of future financial performance of the Group or the Company or the Shares. In addition, the actual impact will depend on, *inter-alia*, the actual number and price of Shares that may be purchased or acquired by the Company, and whether the Shares purchased or acquired are held in treasury or cancelled.

Although the proposed Share Buy Back Mandate would authorise the Company to purchase up to ten per cent (10%) of the Company's total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent (10%) of the total number of issued Shares as mandated. In addition, the Company may cancel all or part of the Shares purchased, or hold all or part of the Shares purchased in treasury.

1.7 Taxation

Section 10J of the Income Tax Act, Chapter 134 of Singapore stipulates that when a company purchases or acquires its own shares from a shareholder using funds other than contributed capital of the company, the payment by the company shall be deemed to be a dividend paid by the company to the shareholder. Accordingly, the Company will, in repurchasing its own Shares out of profits, be deemed to have paid a dividend to its Shareholders from whom the Shares are purchased.

Shareholders should note that the foregoing statements are not to be regarded as advice on the tax position of any Shareholder or on any tax implications arising from the Share Buy Back. Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

1.8 Requirements under the Act

Within thirty (30) days of the passing of a Shareholders' resolution to approve the renewal of Share Buy Back Mandate, the Company shall lodge a copy of such resolution with ACRA.

Within thirty (30) days of the Share Buy Back on Catalist or otherwise, the Company shall lodge with ACRA the notice of the Share Buy Back in the prescribed form. Such notification shall include, *inter alia*, the date of the Share Buy Back, the total number of Shares purchased or acquired by the Company, the total number of Shares cancelled and/or the total number of Shares held as Treasury Shares, the Company's issued share capital before and after Share Buy Back, the amount of consideration paid by the Company for Share Buy Back, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

1.9 Catalist Rules

1.9.1 Maximum Purchase Price

Under the Catalist Rules, a listed company may purchase or acquire shares by way of Market Purchases at a price per share which is, *inter-alia*, not more than five per cent (5%) above the Average Closing Price (as defined above), on which transactions in the shares were recorded, preceding the day on which the purchases were made. Accordingly, the Maximum Price for a Share in relation to Market Purchases by the Company, referred to in paragraph 1.3.3 above, conforms to this restriction.

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1.9.2 No purchases during price-sensitive developments

Although the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, as the Company would be regarded as an "insider" in relation to any proposed Share Buy Back, the Company will not undertake any Share Buy Back pursuant to the Share Buy Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a consideration and/or decision of the Board until the price-sensitive information has been publicly announced, and in line with the best practices guide on securities dealings under Rule 1204(19) of the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases or Off-market Purchases during the period of one (1) month immediately preceding the announcement of the Company's half year or annual (full-year) results.

1.9.3 Listing status of the Shares

Under Rule 723 of the Catalist Rules, a listed company shall ensure that at least ten per cent (10%) of the total number of issued Shares excluding Treasury Shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

As at the Latest Practicable Date, 26,547,800 Shares representing approximately 28.46% of the issued share capital of the Company are held in the hands of the public Shareholders. The Company is of the view that there is a sufficient number of Shares in issue held by the public which would permit the Company to undertake the Share Buy Back up to the full ten per cent (10%) limit pursuant to the Share Buy Back Mandate, without adversely affecting the listing status of the Shares on the Catalist, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

In undertaking any purchases of its Shares through Market Purchases, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the Share Buy Back(s) will not:–

(a) adversely affect the listing status of the Shares on the Catalist; or

(b) adversely affect the orderly trading of the Shares.

1.9.4 Reporting requirements under the Catalist Rules

In addition, the Catalist Rules also specifies that a listed company shall report all purchases or acquisitions of its Shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was effected, and (b) in the case of an Off-market Purchase, on the second Market Day after the close of acceptances of the offer. Such announcement shall include, *inter alia*, details of the total number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the purchase price per Share or (in the case of Market Purchases) the purchase price per Share or the highest price and lowest price per Share, the total consideration paid for the Shares and the number of issued Shares after purchase, in the form prescribed under the Catalist Rules.

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1.10 Certain Take-over Code Implications

Appendix 2 of the Take-over Code contains the Share Buy Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any Share Buy Back are set out below:–

1.10.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest of a Shareholder and persons acting in concert with him in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**"). Consequently, a Shareholder or group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14.

Pursuant to Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to thirty per cent. (30%) or more or, if they, together holding between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, increase their voting rights in the Company by more than one per cent. (1%) in any period of six (6) months.

1.10.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter-alia*, the following individuals and companies to be presumed acting in concert with each other:–

(a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(b) a company with its parent company, subsidiaries and its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights and their associated companies and companies of which such companies are associated companies, all with each other;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

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(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of a company will be regarded as the test of the associated company status.

The circumstances under which Shareholders, including Directors, and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer as a result of a Share Buy Back are set out in Rule 14 and Appendix 2 of the Take-over Code.

1.10.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of a Share Buy Back:–

(a) the percentage of voting rights held by such Directors and their concert parties in the Company increases to thirty per cent. (30%) or more; or

(b) if they together hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, their voting rights are increased by more than one per cent (1%) in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Share Buy Back, the voting rights of such Shareholder in the Company would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) to fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the proposed Share Buy Back Mandate.

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Any Shares held by the Company as Treasury Shares shall be excluded from the calculation of the percentages of voting rights under the Take-over Code referred to above.

If the Company decides to cease the purchase of Shares before it has purchased such number of Shares authorized by its Shareholders at the AGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14.

1.10.4 Exemption from the requirement to make a general offer

Based on the shareholdings of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, the Share Buy Back Mandate is not expected to result in any Director or Substantial Shareholder incurring an obligation to make a general offer for the Shares of the Company under Rule 14 or Appendix 2 of the Take-over Code.

Purely for illustrative purposes, on the basis of 93,274,600 Shares (excluding treasury shares) in issue as at the Latest Practicable date, and assuming that no further Shares are issued on or prior to the AGM, not more than 9,327,460 Shares (representing ten per cent. (10%) of the Shares in issue as at that date) may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate, if so approved by Shareholders at the AGM.

Assuming that such granted Share Buy Back Mandate is validly and fully exercised prior to the next annual general meeting for it to re-purchase the maximum allowed number of Shares (on the basis that there would have been no change to the number of Shares in issue at the time of such exercise) and that such re-purchased Shares are not acquired from Directors and the Substantial Shareholders and are deemed cancelled immediately upon the Share Buy Back, based on the Register of the Directors' Shareholdings and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders would be changed as follows:

	Before the Share Buy Back				After the Share Buy Back			
	Direct Interest		Deemed Interest		Direct interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Jimmy Fong Teck Loon(1)(2)	55,025,800	58.99	630,000	0.68	55,025,800	65.55	630,000	0.75
Brenda Yeo(2)	630,000	0.68	55,025,800	58.99	630,000	0.75	55,025,800	65.55
Siow Chee Keong	100,000	0.11	–	–	100,000	0.12	–	–
Substantial Shareholders								
Johnson Goh Ann Ann	6,110,000	6.55	–	–	6,110,000	7.28	–	–
Rowsley Sports Pte Ltd	4,861,000	5.21	–	–	4,861,000	5.79	–	–
Rowsley Ltd	–	–	4,861,000	5.21	–	–	4,861,000	5.79
Garvielle Pte Ltd	–	–	4,861,000	5.21	–	–	4,861,000	5.79
Lim Eng Hock	–	–	4,861,000	5.21	–	–	4,861,000	5.79

Notes:

(1) Mr Jimmy Fong Teck Loon has direct interest of 54,969,800 shares held by Credit Suisse AG Singapore through Raffles Nominees Pte Ltd.

(2) Mr Jimmy Fong Teck Loon is deemed to be interested in the 630,000 shares held by his spouse, Ms Brenda Yeo, and vice versa by virtue of Section 7 of the Companies Act, Cap. 50.

(3) Rowsley Ltd, Garville Pte Ltd and Lim Eng Hock are deemed to be interested in the 4,861,000 shares held by Rowsley Sports Pte. Ltd. by virtue of Section 7 of the Companies Act, Cap. 50.

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Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share Buy Back pursuant to the Share Buy Back Mandate.

1.11 No Share Buy Backs in the Previous Twelve (12) Months

According to the Act, when seeking the approval of Shareholders for the renewal of the Share Buy Back Mandate, the Company is required to disclose details pertaining to purchases of Shares made by the Company during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, and where relevant, the total consideration paid for such purchases.

In the 12 months preceding the Latest Practicable date, the Company has not acquired its Shares by way of Market Purchases pursuant to the Share Buy Back Mandate.

2 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Company on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest		Aggregate Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors						
Jimmy Fong Teck Loon[(1)(2)]	55,025,800	58.99	630,000	0.68	55,025,800	58.99
Brenda Yeo[(2)]	630,000	0.68	55,025,800	58.99	630,000	0.68
Siow Chee Keong	100,000	0.11	–	–	100,000	0.11
Substantial Shareholder' Interests						
Johnson Goh Ann Ann	6,110,000	6.55	–	–	6,110,000	6.55
Rowsley Sports Pte. Ltd.	4,861,000	5.21	–	–	4,861,000	5.21
Rowsley Ltd.[(3)]	–	–	4,861,000	5.21	–	–
Garville Pte Ltd[(3)]	–	–	4,861,000	5.21	–	–
Lim Eng Hock[(3)]	–	–	4,861,000	5.21	–	–

Notes:

(1) Mr Jimmy Fong Teck Loon has direct interest of 54,969,800 shares held by Credit Suisse AG Singapore through Raffles Nominees Pte Ltd.

(2) Mr Jimmy Fong Teck Loon is deemed to be interested in the 630,000 shares held by his spouse, Ms Brenda Yeo, and vice versa by virtue of Section 7 of the Companies Act, Cap. 50.

(3) Rowsley Ltd, Garville Pte Ltd and Lim Eng Hock are deemed to be interested in the 4,861,000 shares held by Rowsley Sports Pte. Ltd. by virtue of Section 7 of the Companies Act, Cap. 50.

3 DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Buy Back Mandate is in the best interests of the Company and, accordingly, recommend that Shareholders vote in favour of Resolution 9 in respect of the renewal of the Share Buy Back Mandate to be proposed at the AGM.

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4 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend and vote at the AGM on their behalf should complete, sign and return the proxy form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's registered office at 39 Ubi Road 1, #08-01, World Publications Building, Singapore 408695, not less than forty-eight (48) hours before the time fixed for the AGM. The completion and return of the proxy form by such Shareholder will not prevent him from attending and voting in person at the AGM in place of his proxy should he subsequently wishes to do so.

CPF Investors may wish to check with their CPF Approved Nominees on the procedure and deadline for the submission of their written instructions to their CPF Approved Nominees to vote on their behalf.

A Depositor will not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless his name appears of the Depository Register, as certified by the CDP, as at 48 hours before the AGM.

5 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in the Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Addendum in its proper form and context.

6 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Company's annual report for FY2015 and its memorandum and articles of association are available for inspection at the registered office of the Company at 39 Ubi Road 1, #08-01, World Publications Building, Singapore 408695 during normal hours from the date hereof up to and including the date of the forthcoming AGM.

Yours faithfully
For and on behalf of the Board of Directors of
Epicentre Holdings Limited

Jimmy Fong Teck Loon
Executive Chairman and Chief Executive Officer

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Epicentre Holdings Limited (the "Company") will be held at 39 Ubi Road 1, World Publications Building, #08-01, Singapore 408695, on 29 October 2015 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the financial year ended 30 June 2015 together with the Auditors' Report thereon.
(Resolution 1)

2. To re-elect the following Directors of the Company retiring pursuant to Article 93 of the Articles of Association of the Company:

   Ms Brenda Yeo **(Resolution 2)**
   Mr Azman Hisham Bin Jaafar **(Resolution 3)**
   See Explanatory Note (i)

3. To approve the payment of Directors' Fees of $215,000 for the financial year ended 30 June 2015 (2014: $245,000).
(Resolution 4)

4. To re-appoint Messrs BDO LLP, Certified Public Accountants, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 5)

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

AS SPECIAL BUSINESS

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

6. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited**

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

(the "***Share Issue Mandate***")

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuant of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

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

   (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

   (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and

   (c) any subsequent bonus issue, consolidation or subdivision of shares;

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

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

(Resolution 6)

See Explanatory Note (ii)

7. **Authority to issue shares under the Epicentre Holdings Limited Performance Share Plan**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant share awards under the Epicentre Holdings Limited Performance Share Plan (the "**Plan**") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of share awards under the Plan, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the

NOTICE OF ANNUAL GENERAL MEETING

Plan shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(Resolution 7)

See Explanatory Note (iii)

8. **Authority to issue shares under the Epicentre Holdings Limited Scrip Dividend Scheme**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual Section B: Rules of Catalist of the SGX-ST, the Directors of the Company be authorised and empowered to issue such number of shares in the Company as may be required to be issued pursuant to the Epicentre Holdings Limited Scrip Dividend Scheme (the "**Scheme**") from time to time in accordance to the terms and conditions of the Scheme set out on pages 81 to 86 of the Circular dated 7 June 2010 and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(Resolution 8)

See Explanatory Note (iv)

9. **Renewal of Share Buyback Mandate**

That for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Addendum to shareholders dated 14 October 2015 (the "**Addendum**", in accordance with the "Terms of the Share Purchase Mandate" set out in the Addendum, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier

(Resolution 9)

See Explanatory Note (v)

By Order of the Board

Chew Kok Liang
Yun Chee Keen
Joint Company Secretaries

Singapore
14 October 2015

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr Brenda Yeo will, upon re-election as a Director of the Company, remain as Executive Director of the Company.

Mr Azman Hisham Bin Jaafar will, upon re-election as a Director of the Company, remain as Independent Director, Chairman of the Nominating Committee, a member of the Audit Committee and Remuneration Committee respectively and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules of SGX-ST.

(ii) Resolution 7 above, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro rata* basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated 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 new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(iii) Resolution 8 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of share awards under the Plan provided that the aggregate additional shares to be issued pursuant to the Plan do not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

(iv) Resolution 9 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or when varied or revoke by the Company in a general meeting, whichever is the earlier, to issue shares in the Company from time to time pursuant to the Epicentre Holdings Limited Scrip Dividend Scheme.

(v) Resolution 10 above, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to purchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company up to the Maximum Price as defined in Addendum. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Company for the financial year ended 30 June 2015 are set out in greater detail in the Addendum.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

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

2. If the appointer is a corporation, the instrument appointing a proxy must be executed either under its seal or under the hand of an officer or attorney duly authorised.

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 39 Ubi Road 1, World Publications Building, #08-01, Singapore 408695 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

4. This notice has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company's Sponsor has not independently verified the contents of this notice.

   This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this notice.

   The contact person for the Sponsor is:–

   Name: Mr Lin Song, Registered Professional, RHT Capital Pte. Ltd.
   Address: Six Battery Road #10-01, Singapore 049909
   Tel: 6381 6757

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

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EPICENTRE HOLDINGS LIMITED
(Company Registration No. 200202930G)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

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

I/We, ____

of ____

being a member/members of **EPICENTRE HOLDINGS LIMITED** (the "Company"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at 39 Ubi Road 1, World Publications Building, #08-01, Singapore 408695 on 29 October 2015 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

(Please indicate your vote "For" or "Against" with a tick ✓ within the box provided.)

No.	Resolutions relating to:	By way of poll	
		For	Against
Ordinary Business			
1	Directors' Report and Audited Accounts for the financial year ended 30 June 2015 together with Auditors' Report thereon		
2	Re-election of Ms Brenda Yeo as a Director		
3	Re-election of Mr Azman Hisham Bin Jaafar as a Director		
4	Approval of Directors' Fees amounting to S$215,000		
5	Re-appointment of Messrs BDO LLP as Auditors		
Special Business			
6	Authority to issue shares		
7	Authority to issue shares under the Epicentre Holdings Limited Performance Share Plan		
8	Authority to issue shares under the Epicentre Holdings Limited Scrip Dividend Scheme		
9	Renewal of Share Buyback Mandate		

Dated this __________ day of ____________________ 2015

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

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

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 39 Ubi Road 1, World Publications Building, #08-01, Singapore 408695 not less than forty-eight (48) hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

8. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 October 2015.

General:

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

Epicentre Holdings Limited

39 Ubi Road 1 | #08-01 World Publications Building | Singapore 408695
Telephone: +65 6601 9100 | Facsimile: +65 6601 9133
Website: www.epicentreasia.com

SINGAPORE | MALAYSIA