

NOBEL DESIGN HOLDINGS LTD

(Company Registration No. 198104591E)

(Incorporated in the Republic of Singapore)

("Company")

**REVISED UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2014**

The board of directors of the Company ("**Board**") refers to its announcements dated 30 April 2015 and 15 May 2015 ("**Announcements**"). Capitalised terms not defined herein shall bear the same meanings ascribed to them in the Announcements.

Further to the Re-examination, the Board wishes to announce its findings, in consultation with the Special Adviser, PricewaterhouseCoopers LLP, as follows:

- (a) The FY2014 Financial Statements dated 31 March 2015 and tabled at the last Annual General Meeting were prepared on the basis that the joint arrangements of the Company, together with its subsidiaries ("**Group**") in respect of the businesses and operations of the material entities under the Group, Urban Lofts Pte Ltd, LVND Homes Pte Ltd, Alliance Land Pte Ltd and LVND Holdings Pte Ltd ("**Relevant Entities**"), were classified as Joint Operations (as defined below).
- (b) With effect from annual periods beginning on or after 1 January 2014, the *Financial Reporting Standard 111: Joint Arrangements* ("**FRS 111**") was implemented, so as to be applicable to the FY2014 Financial Statements.
- (c) Under FRS 111, joint arrangements are classified into (i) joint operations or (ii) joint ventures. Under a joint operation, the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement ("**Joint Operation**"). Under a joint venture, the parties that have joint control of the arrangement have rights to the net assets of the arrangement ("**Joint Venture**"). An entity is required to determine the classification of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement. An entity assesses its rights and obligations by considering the structure and legal form of the arrangement, the contractual terms agreed to by the parties to the arrangement and, when relevant, other facts and circumstances. It is important to note that judgment is required in determining whether the joint arrangement is a Joint Operation or a Joint Venture.
- (d) FRS 111 provides that investments in Joint Operations are required to be recognised and measured at the assets and liabilities (and the related revenues and expenses) in relation to their interest in the arrangement in accordance with the relevant financial reporting standards applicable to the particular assets, liabilities, revenues and expenses at the consolidated and separate financial statements level. Investments in Joint Ventures are required to be recognised as an investment at cost or at fair value in accordance with the *Financial Reporting Standard 39* at the separate financial statements of the Company and to account for that investment using the equity accounting method at the consolidated financial statements of the Group in accordance with the *Financial Reporting Standard 28*.

- (e) After further discussions with the Special Adviser, a re-examination of the FY2014 Financial Statements and the requirements of FRS 111 and clarifications with its joint arrangement partners on the facts and circumstances with respect to the Relevant Entities, the Board is of the view that the Relevant Entities should, more appropriately, be re-classified as Joint Ventures under FRS 111.
- (f) With respect to the statement of cash flows, an amount of S\$8,091,588.00 in relation to loan to an associated company, which was previously classified as “cash flows from operating activities”, has now been re-presented as “cash flows from investing activities” to better reflect the nature of this amount. This reclassification itself has no impact on the net cash flows of the Group.

In view of the above findings, the Company, in consultation with the Special Adviser, has revised the FY2014 Financial Statements (“**Unaudited Revised FY2014 Financial Statements**”). A copy of the revised consolidated statement of comprehensive income, balance sheets, consolidated statement of changes in equity and consolidated statement of cash flows is set out in Annex A of this announcement. Apart from the changes described in paragraphs (e) and (f) above, there have been no other changes made to the revised consolidated statement of comprehensive income, balance sheets, consolidated statement of changes in equity and consolidated statement of cash flows as compared to those included in the FY2014 Financial Statements.

Based on the Unaudited Revised FY2014 Financial Statements, the Board would like to emphasise that the Group’s net tangible assets per share, total net assets, earnings per share and profit after tax remain unchanged from the FY 2014 Financial Statements.

The Auditors have, concurrently, commenced their audit of the Unaudited Revised FY2014 Financial Statements and will be re-issuing their audit report thereon (“**Audited Revised FY2014 Financial Statements**”).

The Company will convene an extraordinary general meeting (“**EGM**”) for the Audited Revised FY2014 Financial Statements to be laid before the Shareholders in an ordinary resolution, for the Shareholders to receive and consider the Audited Revised FY2014 Financial Statements. A circular to Shareholders containing the Audited Revised FY2014 Financial Statements and notice of EGM will be despatched to Shareholders in due course.

By Order of the Board
Goon Eu Jin Terence
Group Chief Executive Officer and Managing Director
21 May 2015