3Cnergy

CREATE | CAPITALISE | CONNECT

IF YOU KEEP YOUR SAILS UP YOU WILL CATCH THE WIND

ANNUAL REPORT **2014**

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CORPORATE **INFORMATION**

DIRECTORS

Mr Tong Kooi Ong
Non-Executive Chairman

Ms Anne Tong Kooi Lian
Managing Director and Chief Executive Officer

Mr Eng Meng Leong
Lead Independent Director

Mr Tan Kok Hiang
Independent Director

Mr Yii Hung Due @ Bill Yii
Independent Director

AUDIT COMMITTEE

Mr Eng Meng Leong, Chairman
Mr Tan Kok Hiang
Mr Yii Hung Due @ Bill Yii

NOMINATING COMMITTEE

Mr Yii Hung Due @ Bill Yii, Chairman
Mr Eng Meng Leong
Mr Tan Kok Hiang

REMUNERATION COMMITTEE

Mr Tan Kok Hiang, Chairman
Mr Eng Meng Leong
Mr Yii Hung Due @ Bill Yii

JOINT COMPANY SECRETARIES

Mr Teo Meng Keong
Ms Tan Siew Hua

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SPONSOR

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Singapore 048623

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
80 Robinson Road #02-00
Singapore 068898

AUDITOR

Ernst & Young LLP
One Raffles Quay
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Singapore 048583

AUDIT PARTNER-IN-CHARGE

Ms Eleanor Lee
Partner-in-charge since financial year ended 31 December 2012

BANKERS

United Overseas Bank Limited
Citibank Singapore Limited

COMPANY REGISTRATION

No. 197300314D

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The 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 and Sponsor assume 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 contact person for the Sponsor is Mr Eric Wong (Director, Investment Banking), CIMB Bank Berhad, Singapore Branch, 50 Raffles Place #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115

CORPORATE **PROFILE**

3Cnergy Limited is a Singapore-based investment holding company listed on the catalist of SGX-ST. "3C" signifies the company's value proposition – *Create, Capitalise* and *Connect*. It is envisaged that the Company would transform itself to become a one-stop service provider in the property industry.

HSR International Realtors Pte Ltd ("HSR") is the main operating subsidiary of the Company. Established in Singapore in 1980, HSR provides comprehensive primary and secondary real estate services to the residential, commercial and industrial markets, including other services that complement its real estate agency business. In addition to properties in Singapore, HSR also markets international property investments from all over the world, including Malaysia, Thailand, Philippines, UK, Australia and New Zealand. The organisation places great emphasis on training and development to ensure its salespersons possess not only the knowledge and skills, but also the right attitude and professionalism to represent HSR in the marketplace.

Believing in the importance of giving back to the community, HSR has a special focus on corporate social responsibility through its vibrant outreach programmes focused on the elderly and the needy. In addition to regular social activities, HSR has two key programmes, the Home Meal Service where fresh meals are delivered to needy families every week; and Agape Ration Service where essential rations are given out once a month.

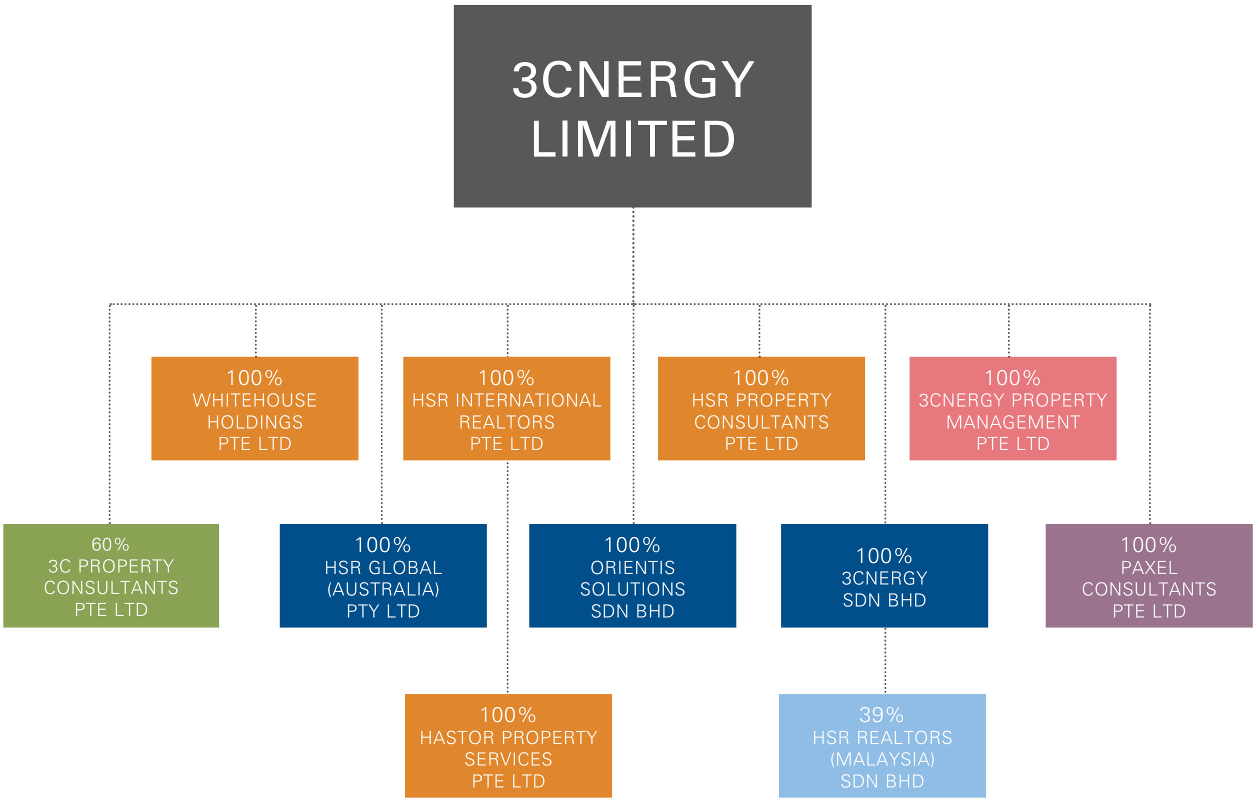
In July 2014, 3Cnergy Limited acquired Orientis Solutions Sdn Bhd ("Orientis"), a wholly owned subsidiary of Medeva Venture Limited. Orientis is an integrated property development management firm offering architectural design, project financial feasibility assessment, engineering expertise and construction management services. Its staff comprises multi-disciplinary professionals with experience in the property development industry, including project management and construction implementation. Its clients comprise property developers, land owners, investors and joint-venture companies on the lookout for a one-stop service provider to meet all their property development needs and objectives.

Another subsidiary of 3Cnergy Limited is 3C Property Consultants Pte Ltd ("3CPC"). Complementing the Company's range of services, 3CPC provides real estate valuation and appraisal services on properties ranging from Housing & Development Board flats and private residential to commercial and industrial properties in Singapore.

The company's team of licensed valuers has over 100 years of combined valuation experience, and some have been in the real estate valuation industry for more than 35 years. 3CPC's clients include government agencies, financial institutions, corporations and private individuals. Valuation services include Mortgage and Financing, Sale and Purchase, Rental Valuation, Land Valuation, Development Appraisal, En-bloc Sale, Fire Insurance, Property Tax, Compulsory Acquisition and Stamp Duty Valuation.

As part of the Company's expansion plans, 3Cnergy Limited entered into the Malaysian market and HSR Realtors (Malaysia) Sdn Bhd ("HSR Malaysia") commenced operations on 20 December 2014. Located in Kuala Lumpur with a branch in Puchong, HSR Malaysia is helmed by a team of professionals with extensive knowledge and experience in the real estate industry in Malaysia. The opening of the Malaysian office strengthens HSR's efforts in providing real estate services to its valued clients, and also presents opportunities for growth and exposure for its salespersons in both offices.

CORPORATE STRUCTURE



LEGEND

- Overseas Subsidiary
- Associate
- Became a direct wholly-owned subsidiary on 28 February 2015 involving share transfer from HSR International Realtors Pte Ltd
- Became a direct subsidiary on 03 February 2015 involving share transfer from HSR International Realtors Pte Ltd. Name changed from Paxel Design Pte Ltd on 31 October 2014.
- Name changed from Optimax Consultancy Pte Ltd on 10 October 2014

CHAIRMAN STATEMENT

We will continue to seek other feasible opportunities whether in existing or new businesses that will facilitate long term growth of the Group.

The Singapore property market remained difficult for the past year, making our efforts to rebuild the business an arduous task.

The continued enforcement of the property cooling measures, rising mortgage rates and tightened credit environment have dampened the market sentiment and stiffened competition amongst key industry players.

Inevitably, against such a backdrop, our realtor business was not spared from the challenging market environment. Faced with a weak demand condition, we had to deal with the issue of sales persons leaving, with some exiting the industry in search for other opportunities.

Consequently, revenue dipped by 43.8%, from $45.3 million in FY2013 to $25.5 million in FY2014 as transaction volumes across the industry fell. With the decline in revenue, gross profit decreased 66.9% to $2.4 million in FY2014 from $7.2 million in FY2013.

Gross profit margin dropped to approximately 9.3% in FY2014 from 15.9% in FY2013, largely due to the decrease in our business for local development project launches.

The sluggish global growth affected the progress of our overseas project marketing efforts. Contributions were positive but marginal.

On the expenses side, overall staff costs has reduced by 31% to $4.2 million in FY2014 from $6.1 million in FY2013 due to streamlining of the Group's manpower, one of your Management's initiatives to control cost and enhance internal efficiency.

During the year, your Management had undertaken several mitigation measures to improve sales in anticipation of the difficult market conditions.

One of these measures was the formation of the Project Alliance Group (PAG) in July 2014. PAG is a collaboration between HSR and three other established agencies namely Dennis Wee Realty, Orange Tee and SLP International in project marketing efforts.

Capitalising on the unique strengths of the four agencies, PAG is intended to provide better value added services to its customers, both developers and home buyers.

Several initiatives were also introduced to retain and recruit sales persons. The 100% Powered Scheme launched in August 2014 enables sales persons to enjoy full 100% commission on their transactions and gain access to a comprehensive range of services by HSR.

In addition, training programmes for the sales persons were enhanced to focus on different market segments by utilising real life case studies to help them understand and improve their interpersonal skills and industry knowledge.

HSR Property mobile app was also introduced in October 2014 to provide convenience to both sales persons and the general public. It enables sales persons to submit exclusives and track their transactions on the go, post their listings to multiple online property platforms and retrieve forms and reports. For the public, the application enables them to view property listings, HSR's latest projects, news and research reports.

However, despite these measures, revenue have not improved and hence, cash flow remained weak.

We believe the property industry will remain challenging for the next 12 months.

Meanwhile, our diversification into project management services through Orientis Solutions Sdn Bhd has contributed marginally. Other areas including the HSR agency in Malaysia and the property valuation business under 3C Property Consultants Pte Ltd which began operations in December 2014 and January 2015 respectively, will likely be positive for the Company.

We will continue to seek other feasible opportunities whether in existing or new businesses that will facilitate long term growth of the Group.

In our pursuit of these opportunities, we look forward to the continued support of our shareholders.

Thank you.

"If you keep your sails up, you will catch the wind"

CEO MESSAGE

2014 continued to be a challenging year for the property market in Singapore. Private residential resale transactions saw a 27.9% drop, while HDB resale transactions declined 4.3% as compared with the previous year. New launches were also affected with the number of private residential units launched declining 51.6% Y-o-Y. The number of private residential units sold declined 51.1% in 2014 as compared with the year before.

Our focus in the last year has been on building value, renewing trust and rebuilding the business. The procedures which we put in place and the changes which we implemented since I assumed my role as Chief Executive Officer continued to set the pace for our work in 2014. In addition to mapping out our company's direction, central to our growth was renewing trust and creating value for our salespersons, developers and associates.

As part of our strategy to grow and maintain the quality of our salespersons, HSR International Realtors Pte Ltd ("HSR") launched the 100% Powered Scheme in August 2014, which came into effect on 1 January 2015. This has resulted in new and experienced salespersons joining the company. This new scheme has also motivated our salespersons to work harder with a year-on-year increase in transaction volume as compared with the year before.

One of the key areas that we are continuously working on is technology. In October 2014 we launched the HSR Property mobile application to support our salespersons in their work. We hope that with this app our salespersons will be able to save time, increase efficiency and enhance productivity by being able to work on the go and spend more time closing deals. We also wanted to engage clients and the general public with the mobile app, so it was designed with them in mind as well. Users will be able to access property news, research reports, property listings and HSR projects, as well as connect with salespersons. We will continue to update the app to add useful features and functions on an ongoing basis.

In line with HSR's expansion plans, we opened our office in Malaysia on 20 December 2014. HSR Realtors (Malaysia) Sdn Bhd is led by a team with extensive knowledge and experience in the real estate industry in Malaysia. This venture into Malaysia opens the doors for cross border marketing and cross training between Singapore and Malaysia and marks the start of our plans to grow our presence in Asia.

To complement HSR's services, 3Cnergy Limited acquired Orientis Solutions Sdn Bhd ("Orientis") in July 2014. Orientis is an integrated property development management firm offering architectural design, project financial feasibility assessment, engineering expertise and construction management services. The company is currently managing 2 projects in Malaysia.

We also expanded our range of services to include valuation with the setting up of 3C Property Consultants Pte Ltd ("3CPC"), to develop 3Cnergy into a one-stop real estate solution. 3CPC provides a full suite of valuation services.

2014 continued to be a challenging year for the property market in Singapore. Private residential resale transactions saw a 27.9% drop, while HDB resale transactions declined 4.3% as compared with the previous year. New launches were also affected with the number of private residential units launched declining 51.6% Y-o-Y. The number of private residential units sold declined 51.1% in 2014 as compared with the year before.

In spite of the slowdown across the real estate market, we are taking these challenges in our stride. With the developments within the Group in the last year, we are confident that we are sailing ahead in the right direction.

BOARD OF DIRECTORS

TONG KOOI ONG

NON-EXECUTIVE CHAIRMAN

Mr. Tong is the Non-Executive Chairman of 3Cnergy Limited ("3CL" together with its subsidiaries, the "Group") and was appointed to the Board on 15 May 2013.

Mr. Tong is a businessman with interests in media, property development, infrastructure-related industries, building materials and other businesses in Malaysia, Singapore and Canada. His media interests are in The Edge Media Group Pte Ltd, which publishes *The Edge Singapore* and *The Edge Malaysia*.

He is the Executive Chairman of UPP Holdings Ltd, and is on the board of M+S Pte Ltd, a joint venture between Khazanah Nasional Berhad and Temasek Holdings (Private) Ltd. He is also the Chairman of the Board of Directors of Taiga Building Products Ltd, a distributor of building products, listed on the Toronto Stock Exchange.

Mr. Tong holds a Bachelor of Arts in Business Administration and a Master of Arts in Economics and Finance from Simon Fraser University, Canada. In 2002, he was bestowed his Doctor of Laws (Honoris Causa) from the same university.

ANNE TONG KOOI LIAN

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Ms. Anne Tong is the Managing Director and CEO of 3CL and was appointed to the Board on 17 June 2013. She is a Malaysian with over 20 years of corporate experience in various industries encompassing media, customer service, events management and property development.

Prior to her appointment, she was the Head of Corporate Communications at The Edge Communications Sdn Bhd, publisher of The Edge, Malaysia's premier and best-selling business and investment newspaper. She is also a director of The Edge Galerie Sdn Bhd, a full-fledged art gallery launched by The Edge Media Group in June 2013.

From 2008 to 2012, she was the General Manager for Branding and Community Development of Sunrise Berhad (now a subsidiary of UEM Sunrise Berhad), a leading property developer in Malaysia famed for its success in developing the Mont'Kiara/Dutamas neighbourhood in Kuala Lumpur, Malaysia. During her tenure with Sunrise Berhad, she was responsible for multiple portfolios including corporate communications, community development, customer relationship management, post-handover defects management and project marketing where she led the marketing and sales team in its project marketing efforts and in expanding Sunrise's customer base. Her active involvement in various stages of the property development process has helped to develop her insights and passion towards the property industry.

Ms. Tong holds a Bachelor of Arts, majoring in Commerce, from the University of Toronto, Canada.

ENG MENG LEONG

LEAD INDEPENDENT DIRECTOR

Mr. Eng is the Lead Independent Director of 3CL and was appointed to the Board of 3CL on 19 January 2011. He also serves as the Chairman of the Audit Committee and is a member of the Nominating Committee and the Remuneration Committee. Mr Eng has over 25 years of experience in the tax industry. He was previously an executive director at KPMG Tax Services Pte. Ltd. Mr Eng served as independent director of Kreuz Holdings Limited from June 2010 to March 2014. He currently serves as independent director of Libra Group Ltd which is listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). In addition, he is an independent director of Croesus Retail Asset Management Pte Ltd(CRAM) and Religare Health Trust Trustee Manager Pte Ltd (RHTTM). CRAM and RHTTM are the trustee managers of Croesus Retail Trust and Religare Health Trust respectively and business trusts listed on the SGX-ST. He is also a non-executive director of ACTS College Ltd.

In 1982, he became an associate member of the Institute for Chartered Accountants of England and Wales. He is a member of the Institute of Certified Public Accountants of Singapore. In 2011, he was admitted as an Accredited Tax Advisor by the Singapore Institute of Accredited Tax Professionals Ltd.

Mr Eng was last re-elected as a director at the annual general meeting of 3CL held on 27 April 2012.

BOARD OF DIRECTORS

TAN KOK HIANG
INDEPENDENT DIRECTOR

Mr. Tan Kok Hiang is an independent director of 3CL and was appointed to the Board on May 15 2013. He also serves as the Chairman of the Remuneration Committee and is a member of the Nominating Committee and the Audit Committee.

Mr. Tan has over 25 years of senior management experience in the media, multi -media and education industries, having held the position of Managing Director/CEO of Star Publication (Malaysia) Berhad and as Executive Advisor/Chairman of the Executive Committee to the Hong Kong listed multimedia company, South China Morning Post.

He has also served among others as founding member of the University Council of Universiti Tuanku Abdul Rahman (UTAR) in Malaysia, and as chairman of the Perth based Australian Institute for University Studies (AIUS).

Mr. Tan was trained as a financial writer before assuming management positions.

YII HUNG DUE @ BILL YII
INDEPENDENT DIRECTOR

Mr. Yii was appointed as independent director of 3CL on 15 May 2013. He also serves as the Chairman of the Nominating Committee and is a member of the Remuneration Committee and the Audit Committee.

Mr. Yii began his career in finance and in 1991, he co-founded Welcojaya Sdn. Bhd., a real estate development company based in Malaysia. He is actively involved in managing the company and its various projects.

Mr. Yii holds a Bachelor of Business Administration from Simon Fraser University, Canada.

KEY MANAGEMENT PROFILE

BERNARD TONG KIM CHUN
HEAD OF OPERATIONS

Bernard Tong heads the operations department and is primarily responsible for overall operations, information technology, human resource, research and legal functions. He is also responsible for enhancing the Group's systems and processes.

Prior to this, Bernard was a management consultant with the Boston Consulting Group ("BCG") where he advised Multi-national Corporations and government agencies across different functions and industries in the region.

His previous engagements in BCG include transforming Malaysia's Ministry of Finance, developing expansion strategy for a Chinese bank, enhancing the competitiveness of Malaysia's steel industry and developing post-merger integration strategy for an investment bank.

Before BCG, he spent a few years in the building materials industry in Canada in a corporate planning role. Bernard has an Master of Business Administration ("MBA") from INSEAD.

MOHAMED SALEEM MOHAMED AMANULLAH
FINANCIAL CONTROLLER

As Financial Controller, Mohamed Saleem Mohamed Amanullah is responsible for the accounting, finance and reporting functions of the Group.

Mohamed Amanullah is a Fellow Chartered Certified Accountant ("FCCA"), registered with the Association of Chartered Certified Accountants in the United Kingdom, and a Chartered Accountant, CA (Singapore), registered with the Institute of Singapore Chartered Accountants. He holds a bachelors' degree in applied accounting and an MBA from University of Melbourne. He has more than 14 years' experience in accounting and finance in the legal, social welfare, and real estate industries.

DONALD YEO KOK SIONG
HEAD OF MARKETING & TRAINING

Prior to joining the real estate industry, Donald was a regular serviceman with the Singapore Armed Forces ("S.A.F."). Having contributed 12 of his best years in the S.A.F. Commando unit, Donald was awarded National Servicemen of the year in July 1999 in recognition of his dedicated service.

After leaving the S.A.F., Donald joined a prominent Real Estate Agency as a salesperson. Since then, he had achieved numerous achievements and awards making him an icon within the industry. As a salesperson, he was once awarded one of the Top Producers in the industry. As a team leader, he had led a team of about 1,000 salespersons and was awarded the Top Performing team for 3 consecutive years. As a result of his achievement, Donald was promoted to the position of Senior Vice President in the Real Estate Agency, taking charge of training, coaching and recruitment. In 2004, Donald was head hunted by another Real Estate Agency where he successfully built up a team of 850 salespersons in less than 5 months. Finally, bringing with him 16 years of experience in the real estate industry, Donald joined the Group in May 2005 where he was instrumental in creating one of its kind marketing and recruitment products, training systems which had increased the productivity of salespersons in the Group.

Currently, Donald manages the marketing and training functions of HSR International Realtors Pte Ltd.

FINANCIAL AND OPERATIONS REVIEW

The Group reported a loss of S$5.2 million for the financial year ended 31 December 2014 arising from lower property transactions which resulted in reduced commission income, increased allowance for doubtful debts, and impairment expenses relating to property, plant and equipment.

REVENUE

The property cooling measures introduced by the government in 2013 have continued to affect the Group's transaction volume. Total revenue decreased by approximately S$19.8 million or 43.8% from S$45.3 million in the financial year ended 31 December 2013 ("FY2013") to S$25.5 million in the financial year ended 31 December 2014 ("FY2014").

GROSS PROFIT

With the decline in revenue, the Group's gross profit decreased by approximately S$4.8 million or 66.9% from S$7.2 million in FY2013 to S$2.4 million in FY2014.

The Group suffered a lower gross profit margin which decreased from approximately 15.9% in FY2013 to approximately 9.3% in FY2014. This was largely due to decrease in the number of transactions in the local development projects.

OTHER OPERATING INCOME

Other operating income comprised mainly rental income, government grant, reversal of legal costs and interest income. Other operating income increased by approximately S$1.4 million or 87.4% from S$1.6 million in FY2013 to S$3.0 million in FY2014 mainly due to an reversal of legal costs relating to an investment sales project and decrease in rental income as a result of lower demand for sub-leased space in the Company's office premises.

SALES AND DISTRIBUTION COSTS

Sales and distribution costs comprised mainly advertisement and promotional expenses, entertainment expenses, events expenses and allowance for doubtful debts. Sales and distribution expenses increased by approximately S$0.5 million or 123.8% from S$0.4 million in FY2013 to S$0.9 million in FY2014 mainly due to increase in allowance for doubtful debts and inventory obsolescence.

GENERAL AND ADMINISTRATIVE EXPENSES ("G&A EXPENSES")

G&A Expenses comprised mainly salaries and related costs, audit fees, secretarial fees, tax fees, professional fees, rental, repair and maintenance expenses, telecommunications expenses, depreciation, impairment of property, plant and equipment, and printing and stationeries expenses. The G&A Expenses decreased by approximately S$5.8 million or 37.4% from S$15.5 million in FY2013 to S$9.7 million in FY2014 mainly due to lower staff costs of $4.2 million in FY2014 compared to S$6.1 million in FY2013 due to streamlining of the Group's manpower. The reduction was partially offset by a provision of S$1.0 million for impairment of property plant and equipment of the Group.

STATEMENT OF FINANCIAL POSITION

The Group recognised a provisional goodwill of S$3.7 million and other intangible assets of S$2.3 million arising from the acquisition of Orientis Solutions Sdn Bhd in July 2014. The goodwill and the fair value of the other intangible assets are based on a preliminary assessment which will be finalised in financial year ending 31 December 2015.

FINANCIAL AND OPERATIONS REVIEW

Trade receivables decreased by approximately S$1.5 million from S$4.8 million as at 31 December 2013 to S$3.3 million as at 31 December 2014 mainly due to lower turnover, an improvement in trade receivable turnover days for resale property market transactions and increase in allowance for doubtful debts. Trade receivables represents outstanding amount after deducting gross allowance for doubtful debts. Other receivables increased by S$0.1 million from S$0.1 million as at 31 December 2013 to S$0.2 million as of 31 December 2014 mainly due to inclusion of other receivables of Orientis Solutions Sdn Bhd following the acquisition.

Trade payables decreased by approximately S$2.6 million from S$4.9 million as at 31 December 2013 to S$2.3 million as at 31 December 2014 mainly due to a corresponding decrease in commissions payable.

Other payables and accruals decreased by approximately S$2.6 million from S$4.5 million as at 31 December 2013 to S$1.9 million as at 31 December 2014 mainly due to decrease in the provision for restructuring costs.

Overall, net asset value of the Group increased by approximately S$1.0 million from S$5.6 million as at 31 December 2013 to S$6.6 million as at 31 December 2014 in spite of the losses from operations, net of tax during FY2014 due to issuance of consideration shares for the acquisition of Orientis Solutions Sdn Bhd.

The Group reported a negative net working capital of S$0.7 million as at 31 December 2014 as compared to a positive net working capital of S$2.7 million as at 31 December 2013. Cash balance outstanding as at 31 December 2014 is S$1.2 million.

STATEMENT OF CASH FLOWS

Net cash used in operating activities in FY2014 was approximately S$5.3 million, mainly due to the operating cash outflow before changes in working capital, partially offset by the decrease in trade receivables.

Net cash used in investing activities in FY2014 was approximately S$0.3 million, mainly due to the purchase of IT Systems and office equipment for the Group's operational use.

Net cash used in financing activities in FY2014 was approximately S$0.06 million due to repayment of obligations under finance lease and repayment of amount due to associate.

The Group recorded a net decrease in cash and cash equivalents of approximately S$5.6 million during FY2014.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") of 3Cnergy Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance and has adopted the principles set out in the Code of Corporate Governance 2012 (the "**Code**") to promote transparency and to protect the interests of the Company's shareholders.

The Company has established various self-regulating and monitoring mechanisms to ensure that effective corporate governance is practised as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and financial performance of the Group.

This report describes the Company's corporate governance processes and structures that are in place during the financial year ended 31 December 2014 ("**FY2014**"), with specific reference made to the principles and guidelines of the Code. Where there are deviations from the Code, appropriate explanations are provided.

A. BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

Apart from its statutory responsibilities under the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), and requirements pursuant to the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), the Board sets the overall strategic directions of the Group and approves all major investments.

The main duties of the Board include:

- reviewing corporate strategies and business plans;
- ensuring Company's compliance with laws, regulations, policies, directions, guidelines and internal code of conduct;
- approving half-year and full-year results announcements;
- approving annual report and accounts;
- approving annual budget, material acquisitions and disposal of assets;
- approving interested person transactions;
- ensuring the adequacy of internal controls, risk management and periodic reviews of the Group's financial performance and compliance;
- ensuring accurate, adequate and timely reporting to and communication with shareholders; and
- all matters of strategic importance.

REPORT ON CORPORATE GOVERNANCE

Matters which are specifically reserved to the full Board for decision include, inter-alia, those involving a conflict of interest, material acquisitions and disposal of assets, corporate or financial restructuring, share issuance, dividends, financial results and corporate strategies.

To facilitate effective management, certain functions have been delegated by the Board to various committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). These Board Committees function within clearly defined terms of reference, which are reviewed on a regular basis. The Chairman of the respective Board Committees will report to the Board the outcome of the Board Committee meetings.

Board members are provided with regular updates on changes to relevant laws, regulations and accounting standards, particularly on new laws, regulations, from time to time in the discharge of their duties as Directors.

Management would conduct briefing and orientation programme(s) to newly appointed Director to ensure that the Director is familiar with the Group's business, operations and processes, as well as his duties as a director. The Company also encourage directors to attend seminars, trainings on legal as well as on property related developments which affect the Group. Upon appointment of each Director, the Company will also provide a formal letter to each Director which sets out their duties and obligations.

During the financial year, no new directors joined the Board.

During the AC meetings, the Company's External auditors, Ernst & Young LLP, briefed and updated the AC members on the changes in accounting Standards, if any.

During the Board meetings, the Chairman and CEO updated the other Directors on the development of the real estate industry in Singapore, including regulatory changes and the foreseeable impact on the Group.

The Board meets regularly at least two times in each financial year. Ad-hoc Board meetings are called as and when deemed necessary by the Board to address any specific or significant matters that may arise. The Company's Articles of Association provide for Directors to convene meetings other than physical meetings, by teleconferencing, videoconferencing or other electronic means of communication.

Attendance at meetings of the Board and Board Committees during FY2014 is disclosed as follows:

Name of Directors	Board		Audit Committee		Remuneration Committee		Nominating Committee	
	No of Meetings held	No. of meetings attended Attendance	No of Meetings held	No. of meetings attended Attendance	No of Meetings held	No. of meetings attended Attendance	No of Meetings held	No. of meetings attended Attendance
Tong Kooi Ong	4	4	2	NA	1	NA	1	NA
Tong Kooi Lian	4	2	2	NA	1	NA	1	NA
Eng Meng Leong	4	4	2	2	1	1	1	1
Tan Kok Hiang	4	4	2	2	1	1	1	1
Yii Hung Due @ Bill Yii	4	4	2	2	1	1	1	1

REPORT ON CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

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

The Company endeavours to maintain a strong and independent element on the Board. As at the date of this report, three (3) out of the five (5) Board members are Independent Directors, making up more than half of the Board, thereby has met the Code's recommendation that Independent Directors should make up at least half of the Board (1) where the Chairman and the Chief Executive Officer are immediate family or (2) the Chairman is not an independent director. The Board comprises the following members:

Name of Directors	Board of Directors	Audit Committee	Nominating Committee	Remuneration Committee
Tong Kooi Ong	Non-Executive Chairman	–	–	–
Tong Kooi Lian	Managing Director & CEO	–	–	–
Eng Meng Leong	Lead Independent Director	Chairman	Member	Member
Tan Kok Hiang	Independent Director	Member	Member	Chairman
Yii Hung Due @ Bill Yii	Independent Director	Member	Chairman	Member

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 Directors' independent judgment of the Group's affairs.

The Independent Directors of the Board have confirmed that they do not have any relationship with the Company or its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company. As at the date of this Report, none of the independent directors have served beyond nine years from the date of their first appointment:

Independent Director	Date of First Appointment	No of years since Appointment
Eng Meng Leong	19 January 2011	4 years and 2 months
Tan Kok Hiang	15 May 2013	1 year and 11 months
Yii Hung Due @ Bill Yii	15 May 2013	1 year and 11 months

The NC reviews the independence of the Directors, Board structure, size and composition annually.

The NC has reviewed and determined that the said Independent Directors are independent; and further, that no individual or small group of individuals dominate the Board's decision-making process.

REPORT ON CORPORATE GOVERNANCE

The NC is of the view that the current Board size and composition are adequate and appropriate to facilitate effective decision making, after taking into consideration the nature and scope of the Group's operations. The Board, taking into account the views of the NC, and the strong and independent element on the Board, considers that the current board size appropriate to facilitate effective decision making. The NC is also of the view that the current Board and Board Committees comprise persons whose diverse skills and experience provide for an effective Board; and who as a group, collectively possesses core competencies necessary for the effective functioning of the Board and an informed decision-making process.

The Non-Executive Director and the Independent Directors provide, amongst other things, strategic guidance to the Company based on their professional knowledge, in particular, assisting, constructively challenging and developing strategic proposals. The Non-Executive Director and the Independent Directors also help to review the performance of Management in meeting agreed goals and objectives and to exercise oversight over performance reporting and disclosure. To this end and where appropriate, they are encouraged to arrange for meetings without Management being present, on a regular basis and at times deemed necessary.

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 Code stipulates that the roles of Chairman and Chief Executive Officer ("**CEO**") should, in principle, be separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

Mr Tong Kooi Ong is the Non-Executive Chairman of the Board and Ms Tong Kooi Lian is the Managing Director and CEO of the Company and their roles are separate. The Chairman and the Managing Director and CEO are siblings. The Board is of the view that the process of decision making by the Board is independent with the establishment of the various Board Committees which are chaired by Independent Directors. Also, with more than half the Board consisting of Independent Directors, there are adequate accountability and safeguards to ensure an appropriate balance of power and authority for good corporate governance.

The role of the Chairman includes ensuring that Board meetings are held when necessary and setting the Board meeting agenda in consultation with the Company Secretary and ensuring that the Board is provided with adequate and timely information. As Chairman, Mr Tong Kooi Ong's role includes:

- Leading the Board to ensure its effectiveness on all aspects of its role;
- Setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- Promoting a culture of openness and debate at the Board;
- Ensuring that the directors receive complete, adequate and timely information;
- Ensuring effective communication with shareholders;
- Encouraging constructive relations within the Board and between the Board and Management;
- Facilitating the effective contribution of non-executive directors in particular; and
- Promoting high standards of corporate governance.

REPORT ON CORPORATE GOVERNANCE

The Managing Director and CEO's performance and appointment to the Board are reviewed periodically by the NC and her remuneration package was reviewed periodically by the RC.

Lead Independent Director

Mr Eng Meng Leong is the Lead Independent Director appointed to lead and co-ordinate the activities of the Independent Directors. The Lead Independent Director assists the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company.

The Lead Independent Director is the principal liaison on Board issues between the Independent Directors and the Chairman.

He will also be available to shareholders who have concerns in the event that normal interactions with the Chairman, CEO or Financial Controller have failed to resolve their concerns or where such channel of communication is considered inappropriate.

BOARD MEMBERSHIP

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

The NC is established for the purposes of ensuring that there is a formal and transparent process for all Board appointments.The NC comprises three (3) members, all of whom are Independent Directors:

Mr Yii Hung Due @ Bill Yii	(Chairman)
Mr Eng Meng Leong	(Member)
Mr Tan Kok Hiang	(Member)

The principal role and functions of the NC include the following:

(a) to make recommendations to the Board on all Board appointments and re-nomination, having regard to contribution and performance of the Directors;

(b) to ensure that Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every 3 years;

(c) to determine annually whether a Director is independent, guided by guidelines in the Code;

(d) to decide if a Director is able and has adequately carried out his duties as a Director where he has multiple board representations; and

(e) to decide how the performance of the Board may be evaluated and propose objective performance criteria.

The NC is also involved in the review of board succession plans for directors, in particular the Chairman and CEO. The NC also makes recommendation to the Board for periodic training to be conducted for directors.

The NC ensures that there is a formal and transparent process for all appointments to the Board. It has adopted written terms of reference defining its membership, administration and duties.

Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director with particular skills, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position.

REPORT ON CORPORATE GOVERNANCE

The search and nomination process for new directors, if any, will be through search companies, contacts and recommendations. The NC will review, assess and meet with the candidates before making recommendation to the Board. In recommending new directors to the Board, the NC takes into consideration the skills and experience required to support the Group's business activities or strategies, the current composition and size of the Board, and strives to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and ability. The NC makes recommendations to the Board on re-appointments of Directors based on their contributions and performance, a review of the range of expertise, skills and attributes of current Board members, and the needs of the Board.

The Articles of Association of the Company requires one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to one-third shall retire from office by rotation and shall be eligible for re-election by the shareholders in every Annual General Meeting of the Company ("**AGM**"). Directors appointed by the Board during the financial year, shall only hold office until the next AGM, and thereafter be eligible for re-election at the AGM.

The NC has recommended to the Board that Mr Tong Kooi Ong and Mr Eng Meng Leong be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC had considered the Directors' overall contributions and performance and the Board accepted NC's recommendation.

Mr Tong Kooi Ong, upon re-election as a Director of the Company, will remain as Non-Executive Chairman.

Mr Eng Meng Leong, upon re-election as a Director of the Company, will remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. He will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

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

Although some of the Board members have multiple board representations, the NC, after discussion with the said Directors, is satisfied that sufficient time and attention has been given by the Directors to the Group. At the moment, based on the number of other board representation of the Directors as disclosed in the table below, the NC has not made a recommendation on the maximum number of listed company board representations which any director may hold until such needs arise. The NC will continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Key information about the Board members, including their principal commitments, is presented in this Annual Report under the heading "Board of Directors".

REPORT ON CORPORATE GOVERNANCE

The details of the Board, including the year of initial appointment and re-election, as well as directorship in other listed companies, are disclosed as follows:

Name of Director	Appointment	Date of Initial Appointment	Date of Last Re-election	Directorship in other Listed Companies (existing and for the preceding three years)
Tong Kooi Ong	Non-Executive	15 May 2013	24 April 2014	Existing: Singapore UPP Holdings Limited Canada Taiga Building Products Limited Past: Malaysia UEM Land Holdings Berhad (now known as UEM Sunrise Berhad)
Tong Kooi Lian	Executive	17 June 2013	24 April 2014	–
Yii Hung Due @ Bill Yii	Independent	15 May 2013	24 April 2014	–
Tan Kok Hiang	Independent	15 May 2013	24 April 2014	–
Eng Meng Leong	Independent	19 January 2011	27 April 2012	Existing Libra Group Limited Croesus Retail Trust (Listed on the SGX-ST) (Independent Directors of Croesus Retail Asset Management Pte. Ltd.) Religare Health Trust (Listed on the SGX-ST) (Independent Director of Religare Health Trust Trustee Management Pte. Ltd.) Past Kreuz Holdings Limited

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.

Performance evaluation of the Board is aimed at giving Directors an opportunity to gauge their effectiveness individually and collectively. It also helps to ensure continual improvement in the Board's decision-making process as it provides a benchmark by which future performance can be measured.

The NC evaluates the performance of the Board and Board Committees and that of the individual Directors based on performance criteria set by the Board.

The criteria for assessing the Board's and Board Committees performance include Board composition and size, Board processes, accountability, standard of conduct and performance of its principal functions and fiduciary duties, and guidance to and communication with Management. The criteria for assessing individual Director's contribution include, inter alia, the level of contribution to Board meetings, commitment of time, overall effectiveness.

REPORT ON CORPORATE GOVERNANCE

As part of the evaluation process, the Directors will complete appraisal forms which are then collated by the Company Secretary who will submit to the Chairman of the NC in the form of a summary report. The summary report will be discussed during the NC meeting with a view to implementing recommendations to further enhance the effectiveness of the Board.

The NC has reviewed the overall performance of the Board and Board Committees in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year and is of the view that the performance of the Board as a whole has been satisfactory. The NC has also reviewed the individual Director's performance in terms of attendance, areas of expertise, adequacy of preparation for board meetings, participation in board discussion, and participation in own specialist relevant area during the financial year and is of the view that the performance of each individual Director has been satisfactory.

ACCESS TO INFORMATION

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

Each member of the Board has access to complete, adequate and timely information regarding the Group as may be required for the discharge of his duties and responsibilities.

As a general rule, notices are sent to the Directors one week in advance of Board meetings, followed by the Board papers which include financial results, budgets and all related information in order for the Directors to be adequately prepared for the meetings. Senior management personnel maybe invited to attend board meetings to address queries from the Directors. The Directors also have unrestricted and independent access to the Company's senior management.

The Directors have separate and independent access to the Company Secretary. The Company Secretary is available whenever required, to respond to queries of any Director and to ensure that Board procedures are followed and applicable rules and regulations are complied with. The Company Secretary has attended all board meetings conducted during the Year. The appointment and removal of the Company Secretary is a matter for the Board's consideration as a whole.

The Board (whether as individual members or as a group) has direct access to independent professional advisers, where so requested by them, at the expense of the Company.

B. 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 is established for the purposes of ensuring that there is a formal and transparent process for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. The RC comprises three (3) members, all of whom are Independent Directors:

Mr Tan Kok Hiang	(Chairman)
Mr Eng Meng Leong	(Member)
Mr Yii Hung Due @ Bill Yii	(Member)

REPORT ON CORPORATE GOVERNANCE

The role of the RC is to review and recommend to the Board, the remuneration packages and terms of employment of the Directors and the key executives of the Company. The RC meets at least once a year with all members of the committee in attendance. In its review and approval of the recommendations on remuneration policies and packages for the Directors and key executives, the RC covers all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, share options and benefits-in-kind.

The RC's recommendations are made in consultation with the CEO and submitted for endorsement by the entire Board. The Independent Directors are compensated based on fixed Directors' fees taking into consideration their contributions, responsibilities and time spent. Payments of Directors' fees will be endorsed by the Board before being subject to shareholders' approval at each AGM.

Remuneration of senior management staff will be reviewed by the Company's Executive Directors and recommended by the RC in consultation with the CEO. The review will take into account the value and the extent of contribution of the staff towards the financial health and business needs of the Company.

In addition, in discharging its functions, the RC may obtain independent external professional advice as it deems necessary and the cost of which will be borne by the Company.

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

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.

The RC and the Board are of the view that the remuneration of the Directors and key executives is adequate but not excessive in order to attract, retain and motivate them to operate the Company successfully.

The Company has an employment agreement with its Managing Director and CEO. The Managing Director and CEO or the Company may terminate the employment agreement by giving to the other party, *inter alia*, not less than three months' notice in writing or three months' salary in lieu of notice in writing. The Company does not have any termination, retirement, or post-employment benefits granted to Managing Director and CEO, Directors, and key executive officers. The Board is of the opinion that the employment agreement does not contain any onerous removal terms.

DISCLOSURE OF 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.

In recommending the level and mix of remuneration, the RC seeks to establish a framework for attending, retaining and motivating employees. The Group subscribes to linking executive remuneration to corporate and individual performance based on annual appraisal of employees. The level and structure of remuneration of directors and key management executives are aligned with the long term interest and risk policies of the Company.

REPORT ON CORPORATE GOVERNANCE

A breakdown showing the level and mix of each individual Director's remuneration for FY2014 is disclosed in the table below:

NAME OF DIRECTORS	SALARY# (%)	BONUS (%)	FEES (%)	BENEFITS (%)	TOTAL (%)	Total (S$'000)
Tong Kooi Ong	–	–	100	–	–	50
Tong Kooi Lian	86	–	–	14	100	348
Eng Meng Leong	–	–	100	–	100	50
Tan Kok Hiang	–	–	100	–	100	35
Yii Hung Due @ Bill Yii	–	–	100	–	100	35

(#) Refers to basic salary and CPF contribution by employer

A breakdown showing the level and mix of each key management executive's remuneration for the FY2014 is disclosed in the table below:

NAME	DESIGNATION	REMUNERATION BAND (S$)	SALARY# (%)	BONUS (%)	ALLOWANCE (%)	TOTAL (%)
Bernard Tong Kim Chun	Head of Operations	Below 250,000	92	6	2	100
Mohamed Saleem Mohamed Amanullah	Financial Controller		90	10	–	100
Donald Yeo Kok Siong	Head, Marketing & Training		93	7	–	100

(#) Refers to basic salary, commission income and CPF contribution by employer

The Company has three key management executives for FY2014. In aggregate, the total remuneration paid to them in financial year ended 31 December 2014 was S$602,000.

There was no employee in the Group who is an immediate family member of a Director or a CEO whose remuneration exceeded S$50,000 during the financial year under review.

*Performance Share Plan ("**PSP**")*

The RC also administers the PSP, which was approved at the extraordinary general meeting held on 19 January 2011. The RC would determine the eligibility of persons to participate in the PSP and the number of shares to be awarded to each participant, in accordance with the approved guidelines of the PSP. A member of the RC would not be involved in any deliberations in respect of any shares awarded to him or her. No share award has been granted under the PSP from 19 January 2011 until the date of this report. Details of the PSP were set out in the Company's Circular to shareholders dated 27 December 2010.

REPORT ON CORPORATE GOVERNANCE

C. ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

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

Half-year and full-year financial results announcements of the Company are released via SGXNET and annual reports are provided to shareholders within the respective periods stipulated in the Catalist Rules. In this regard, the Board, with the assistance of Management, strives to provide a balanced and understandable assessment of the Company's performance, position and prospects. Management provides all members of the Board with management accounts and explanations during the board meetings held to review and approve the half-year and full-year results of the Company. The Board also undertakes such effort in respect of other price sensitive public reports and reports to regulators, where required.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board recognises its responsibilities over the governance of risks and has set in place management procedures for ensuring a sound system of risk management and internal controls. These procedures include a structured Enterprise Risk Management ("**ERM**"), management reviews of key transactions, and the assistance of the Group's external and internal auditors to review financial statements and internal controls covering key risk areas.

Risk Management

With effect from FY2013, the Group has in place an ERM programme which covers the following areas:

- ***ERM policies and procedures***

An overall framework for risk management has been documented in a manual disseminated to personnel responsible for oversight of risks and operations of risk countermeasures. This ERM manual includes the terms of reference of the various personnel and committee responsible for monitoring and managing risks in the Group. The ERM process also require ongoing identification of key risks to the Company and reporting these risks to the Board to better determine whether appropriate measures have been taken to address relevant risks. Risk workshops attended by key management personnel were conducted in FY2014 to provide a structured approach of identification and assessment of risks.

- ***Risk Appetite of the Company***

Generally, the Group will rely on Management to monitor day to day operations while subjecting key corporate decisions, such as investments or acquisitions of businesses for Board approval. The Company's performance is monitored closely by the Board periodically and any significant matters that might have an impact on the operating results are required to be brought to the immediate attention of the Board.

REPORT ON CORPORATE GOVERNANCE

The Company has also taken a strict stance towards avoiding any risks that might result in breaching relevant laws and regulations and risks that could adversely affect the reputation of the Group. Active efforts are also in place to manage risks within impact such as transferring them to third party insurers or having internal control procedures to better mitigate the likelihood of their occurrence. Internal audits will be regularly conducted to assess the ongoing compliance with the established controls to address key risk areas where applicable.

- ***Risk assessment and monitoring***

Based on the ERM framework, the nature and extent of risks to the Company will be assessed regularly and risk reports covering top risks to the Group will be submitted to the Board at least on a half yearly basis. The risk report of the Company has been submitted and discussed by the Board in FY2014. A set of risk registers to document risks arising from this ERM exercise has also been established to document all key risks and the corresponding countermeasures and will be updated whenever new risks emerge.

Internal Controls

The Board recognises the importance of sound internal controls, risk management practices and corporate governance. It is committed to maintaining a robust and effective system of internal controls. This is to safeguard shareholders' interests and the Group's assets. 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 Group has been establishing a system of internal controls to promote effectiveness and efficiency of operations, reliability of financial reports and compliance with relevant laws and regulations. The internal controls include detailed policies and procedures to guide key operations, documented delegation of authority over key business transactions and specific control activities within the business workflow processes. The system of internal controls is also reviewed independently on an on-going basis, as a part of both the annual internal and external audit plans.

During the financial year, the Group's internal auditors had conducted two review exercises of the effectiveness of the Group's internal controls and operating procedures. The Group's external auditors had also reviewed the internal accounting controls that are relevant to their audit. Any non-compliance and recommendation for improvement were reported to the AC.

The Company has also implemented a Control Self-Assessment ("**CSA**") exercise covering key operating areas in the Group. This exercise comprises internal control questionnaires to be completed by staff to assess level of effectiveness of internal controls and risk countermeasures. This CSA covers all the key business processes of the Group and results of the CSA exercise is included in the periodic risk report to the Board and AC.

Other than the above risk report from the ERM exercise, the Board has also received assurance from the CEO and the Financial Controller that:

a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

b) the Company's risk management and internal control systems are effective.

REPORT ON CORPORATE GOVERNANCE

The Board, with the concurrence of AC, is of the opinion that, the system of internal controls maintained by the Group's management throughout the financial year ended 31 December 2014 is adequate and effective to address the financial, operational, compliance and information technology risks as at 31 December 2014.

The Board and AC are of the opinion that, the Company's internal controls were adequate based on:

- The internal controls established and maintained by the Group;
- Reports issued by the internal auditors and external auditors;
- Risk report arising from the ERM exercise
- Regular reviews performed by the Management, and annual review undertaken by AC and the Board; and
- Assurance from CEO and Financial Controller.

The Board acknowledges that it is responsible for maintaining a sound system of internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. Internal control can provide only reasonable and not absolute assurance against material misstatement, losses, human errors, fraud or other irregularities.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing framework whereby employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters and for appropriate follow up actions. The details of the whistle-blowing policies and arrangements have been made available to all employees.

The AC exercises the overseeing function over the administration of the whistle-blowing policy. Half yearly reports will be submitted to the AC stating, if any, the number and nature of complaints received, the results of investigation, follow up actions and unresolved complaints.

Interested Person Transactions ("IPT")

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC for review and the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Group and its minority shareholders.

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 three (3) members, all of whom are Independent Directors:

Mr Eng Meng Leong	(Chairman)
Mr Tan Kok Hiang	(Member)
Mr Yii Hung Due @ Bill Yii	(Member)

The Board is of the view that the members of the AC are appropriately qualified, having accounting or related financial management expertise or experience as the Board interprets such qualification, to discharge their responsibilities.

REPORT ON CORPORATE GOVERNANCE

The AC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain an effective system of internal controls. The responsibilities of the AC include the following:–

(a) to review with the external auditors the audit plan, their evaluation of the system of internal accounting controls to the extent that such controls are relevant to their audit of the financial statements, their audit report, their management letter and the Management's response;

(b) to review half-yearly and annual financial statements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas (including the need for product liability insurance), significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

(c) to review the internal control and procedures and ensure co-ordination between the external auditors and Management, review the assistance given by Management to the auditors and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary);

(d) to review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and Management's response;

(e) to consider the appointment or re-appointment of the external auditors, the audit fees, and matters relating to the resignation or dismissal of the auditors;

(f) to review transactions falling within the scope of interested person transactions and the Catalist Rules, and in particular matters pertaining to acquisitions and realisations;

(g) to review and assess the Company's foreign exchange and hedging policies including whether the Company has in place adequate and appropriate hedging policies and used appropriate instruments for hedging, if applicable;

(h) to review the adequacy and structure of the finance function on an on-going basis and take appropriate remedial actions as may be necessary;

(i) to conduct annual internal control audits to review the Group's internal controls and procedures so as to review its adequacy and effectiveness;

(j) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

(k) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time

The AC will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the operating results or financial position of the Company. Each member of AC will abstain from voting in respect of matters in which he is interested.

REPORT ON CORPORATE GOVERNANCE

The AC meets with the external auditors without the presence of Management at least once in every financial year. The AC has met with the external auditors without the presence of Management during the financial year. The AC has reasonable resources to enable it to discharge its functions properly.

The AC has conducted an annual review of the volume of non-audit services, i.e. tax advisory services provided by the external auditors, and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the auditors. As such, the AC has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as the Company's auditors at the forthcoming AGM. The AC is also satisfied with the level of cooperation rendered by Management to the external auditors and the adequacy of the scope and quality of their audits.

In performing its functions, the AC has explicit authority to investigate any matter within its terms of reference, having full access to and co-operation by Management and full discretion to invite any Director or Executive Officer to attend its meetings

The Company is in compliance with Rules 712 and 716 of the Catalist Rules in relation to its external auditors.

The AC met two times during the financial year under review. During the AC meetings, the external auditors, Ernst & Young LLP updated the AC on the changes in accounting standards which may have a direct impact on financial statements.

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 is aware that an internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the Group's system of internal controls. Accordingly, the internal audit function is outsourced to BDO LLP who report primarily to the AC. BDO LLP is an international auditing firm and they perform their work based on the BDO Global Internal Audit Methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

The internal auditors report directly to the Chairman of the AC although they also report administratively to the Managing Director and CEO. The main function of the internal auditors is to review the effectiveness and quality of the systems of control of the Company and this review is performed with impartiality, proficiency and due professional care. The internal audit function is independent of the activities or operations of the Company.

The AC reviews and approves the internal audit plan submitted by the internal audit function. On an ongoing basis, the internal auditors reports to the AC any significant weaknesses and risks identified in the course of internal audits conducted. Recommendations to address control weaknesses are further reviewed by the internal auditors based on implementation timeline agreed with the Management.

Since the implementation of the internal audit function and subsequent to its review of the scope and results of the internal audit, the AC is satisfied that the internal audit function is adequately resourced and has the appropriate standing within the Group. The AC will continue to assess the adequacy and effectiveness of internal audit function annually. The AC has met with the internal auditors without the presence of Management during the financial year.

REPORT ON CORPORATE GOVERNANCE

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Shareholder Rights

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

The Group's corporate governance culture and awareness promotes fair and equitable treatment of all shareholders. All shareholders enjoy specific rights under the Singapore's Companies Act, Chapter 50, and Articles of Association of the Company. All shareholders are treated fairly and equitably.

The Group respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure.

The Articles of Association of the Company allow members of the Company to appoint not more than two (2) proxies to attend and vote on their behalf at the general meetings.

Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated.

Communication With Shareholders

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

The Board is mindful of its obligations to provide timely and full disclosure of material information to shareholders of the Company and does so through:

– annual reports issued to all shareholders. Non-shareholders may access the SGXNET for static copies of the Company's annual reports;

– half and full-year results announcements on the SGXNET;

– other announcements on the SGXNET; and

– press releases on major developments regarding the Company.

The Company held an AGM in April 2014 and an EGM in June 2014 where shareholders attended and shared their views and raised queries which was addressed by the Board. The Company may organise media/analyst briefing to solicit and understand shareholders' view when such need arises.

The Company does not have a policy on payment of dividends. The Company did not declare dividend for the financial year due to the losses incurred during the financial year.

REPORT ON CORPORATE GOVERNANCE

CONDUCT OF SHAREHOLDER MEETINGS

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

At the general meetings of the Company, shareholders are given the opportunity to air their views and ask Directors questions regarding the Group. Shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The general meetings are the principal forum for dialogue with shareholders.

The Articles of Association of the Company allow members of the Company to appoint not more than two (2) proxies to attend and vote on their behalf at the general meetings.

The Directors, including chairpersons of each of the Board Committees are present at the general meetings to answer questions from the shareholders. The external auditors are also present to assist the Directors in addressing any relevant queries by shareholders.

The Company ensures that there are separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions. The Company prepares minutes of general meetings which is made available to shareholders upon their request. The Company will put all resolutions to vote by poll from August 2015 in compliance with the Catalist Rules.

D. DEALING IN SECURITIES

In accordance with Rule 1204(19) of the Catalist Rules, the Group has adopted an internal code of conduct to provide guidance to the Directors and all officers of the Company not to deal in the Company's shares during the period commencing one (1) month prior to the announcement of the Company's half-year and full-year financial results and ending on the date of the announcement of the financial results.

The Group has reminded its Directors and officers that it is an offence under the Securities and Futures Act, Chapter 289, for a listed issuer or its officers to deal in the Company's shares when the officers are in possession of unpublished material price-sensitive information in relation to those securities. Directors and officers are expected to observe insider-trading laws at all times even when dealing in the Company's Shares within permitted trading periods. The Directors and officers should not deal in the Company's securities on short-term considerations.

The Company has complied with the internal code of conduct for the financial year ended 31 December 2014.

E. MATERIAL CONTRACTS

The Company acquired Orientis Solutions Sdn Bhd in July 2014. Prior to the acquisition Orientis Solutions Sdn Bhd had entered into two contracts involving the interests of the Non-Executive Chairman and controlling shareholder. Shareholders' approval was obtained on 30 June 2014 for the two contracts which is still subsisting at the end of the financial year under review:

REPORT ON CORPORATE GOVERNANCE

Interested Party	Nature of Contract	Contract Value
Liberty Bridge Sdn Bhd	Project Management Services	RM 47 Million (equivalent to S$18.29 million)
Publiq Development Group Sdn Bhd (f.k.a Rainbow Crest Sdn Bhd)	Project Consultancy Services	RM 9.8 million (equivalent to S$3.81 million based on exchange rate)

On 8 January 2015, 3Cnergy Limited has signed a shareholder loan agreement with Phileo Capital Limited. As per the loan agreement, Phileo Capital Limited will disburse loan advances to 3Cnergy Limited to meet its day-to-day operating and working capital needs. The loan is for a minimum amount of S$5 million. The unsecured loan is non-interest bearing and Phileo Capital Limited agrees not to demand repayment of the loan before 30 June 2016. As of 2 April 2015, 3Cnergy Limited has received a loan sum of S$1 million from Phileo Capital Limited.

F. INTERESTED PERSON TRANSACTIONS

The Company has adopted internal guidelines in respect of any transactions with interested persons and has set out the procedures for the review and approval of the Company's interested person transactions ("**IPT**"). The main objective is to ensure that all IPTs are conducted on arm's length basis and on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority shareholders.

The Board had reviewed all IPTs for the financial year under review. The aggregate value of IPT entered into for the financial year under review is as follows:.

Name of Interested Person		Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' general mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under Shareholders' general mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)
		S$'000	S$'000
Liberty Bridge Sdn Bhd	Project Management Services & recovery of incidentals	–	1,744
Publiq Development Group Sdn Bhd (f.k.a Rainbow Crest Sdn Bhd)	Project Consultancy Services & recovery of incidentals	–	195

The Group has a general mandate from shareholders to enter into the following types of IPT:

1. Real Estate Agency Services
2. Facilities Management Services
3. Project Management Services
4. Purchase of advertising-related services from The Edge Media Group
5. Financial Assistance and Services
6. Lease of Properties or Spaces
7. Secondment of Staff
8. Corporate-Related Services

with Mr Tong Kooi Ong and/or his Associates (including future associates).

REPORT ON CORPORATE GOVERNANCE

G. NON-SPONSOR FEES

In FY2014, Non-sponsor fees of S$45,000 were paid to PrimePartners Corporate Finance Pte. Ltd, who were the Sponsor of the Company during 2014 and until 5 February 2015.

CIMB Bank Berhad, Singapore Branch ("**CIMB**") was appointed sponsor of the Company with effect from 6 February 2015. No fees were paid to CIMB during 2014.

H. AUDIT AND NON-AUDIT FEES

Approximately S$113,000 was paid to the Company's auditors, Ernst and Young LLP in the financial year under review, of which S$80,000 for audit and S$33,000 for non-audit services respectively.

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of 3Cnergy Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2014.

Directors

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

Mr Tong Kooi Ong
Ms Anne Tong Kooi Lian
Mr Eng Meng Leong
Mr Tan Kok Hiang
Mr Yii Hung Due @ Bill Yii

Arrangements to enable directors to acquire shares and debentures

Except as disclosed in this report, neither at the end of, nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following director who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap.50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of directors	**At the beginning of financial year**	**At end of financial year**	**At the beginning of financial year**	**At end of financial year**
Interest in the Company's ordinary shares				
Tong Kooi Ong[1]	–	–	65,368,500	65,368,500
Tan Kok Hiang	–	15,000	–	–
Yii Hung Due @ Bill Yii[2]	–	10,000	–	–

Notes:

1 The deemed interest of the director comprises the shareholding of Phileo Capital Limited in the Company.

2 The entire 10,000 shares are held in the name of RHB Securities Singapore Pte Ltd.

There was no change in any of the above-mentioned interests between end of financial year end and 21 January 2015.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Options

There is presently a Performance Share Plan ("PSP") which was approved at the extraordinary general meeting held on 19 January 2011 on unissued shares of the Company. However, no share award has been granted under the PSP from 19 January 2011 until date of this report.

DIRECTORS' REPORT

Audit Committee

The audit committee ("AC") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

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

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members.

Further details regarding the audit committee are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP has expressed their willingness to accept re-appointment as auditor.

On behalf of the Board,

____
Anne Tong Kooi Lian
Chief Executive Officer

____
Tong Kooi Ong
Director

Singapore
2 April 2015

STATEMENT BY DIRECTORS

We, Anne Tong Kooi Lian and Tong Kooi Ong, being two of the directors of 3Cnergy Limited, do hereby state that, in the opinion of the directors,

(a) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the 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,

____

Anne Tong Kooi Lian
Chief Executive Officer

____

Tong Kooi Ong
Director

Singapore
2 April 2015

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

To the Members of 3Cnergy Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of 3Cnergy Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 35 to 87, which comprise the balance sheets of the Group and the Company as at 31 December 2014, the statements of changes in equity of the Group and the Company and consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of 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 profit and loss accounts and balance sheets 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 judgment, 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 the 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 balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Emphasis of matter

We draw attention to Note 2.1 to the financial statements which describes material uncertainties related to the use of the going concern assumption in the preparation of these financial statements.

The Group incurred a net loss of S$5,203,000 during the financial year ended 31 December 2014 and as at that date, the Group's current liabilities exceeded its current assets by S$747,000. In addition, the Company incurred a net loss of S$4,361,000 during the year ended 31 December 2014 and as of that date, the Company's current liabilities exceeded its current assets by S$874,000. These factors indicate a material uncertainty which may cast doubt about the Group and Company's abilities to continue as going concerns. As stated in Note 2.1, the Group and Company's abilities to continue as going concerns is dependent on the ability to drawdown on the shareholder loan agreement and the sufficiency of the loan amount to pay their debts as and when they fall due. Our opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore
2 April 2015

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Revenue	4a	**25,456**	45,275
Cost of services rendered and goods sold	5	**(23,080)**	(38,093)
Gross profit		**2,376**	7,182
Other operating income	4b	**3,014**	1,608
Sales and distribution costs		**(857)**	(383)
General and administrative expenses		**(9,683)**	(15,478)
Finance costs		**(54)**	(51)
Loss before tax	5	**(5,204)**	(7,122)
Taxation	6	**1**	13
Loss for the year		**(5,203)**	(7,109)
Attributable to: Owners of the Company		**(5,203)**	(7,109)
Earnings per share attributable to the owners of the Company (cents per share)			
Basic	25	**(4.78)**	(7.22)
Diluted	25	**(4.78)**	(7.22)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Loss for the year		**(5,203)**	(7,109)
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
– Exchange differences on translation of financial statements of foreign subsidiaries		**(43)**	(2)
Total comprehensive loss for the year		**(5,246)**	(7,111)
Attributable to:			
Owners of the Company		**(5,246)**	(7,111)
Non-controlling interests		**–**	–
Total comprehensive loss for the year		**(5,246)**	(7,111)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2014

		Group		Company	
	Note	2014	2013	2014	2013
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	7	**1,370**	2,856	**–**	–
Goodwill	8	**3,734**	–	**–**	–
Other intangible assets	8	**2,262**	–	**–**	–
Investment in subsidiaries	9	**–**	–	**8,757**	4,043
Investment in joint venture	10	**140**	–	**–**	–
Deposits	13	**265**	410	**–**	–
		7,771	3,266	**8,757**	4,043
Current assets					
Inventories	11	**70**	93	**–**	–
Trade receivables	12	**3,345**	4,835	**–**	–
Other receivables and deposits	13	**171**	119	**–**	–
Prepayments		**315**	435	**3**	5
Amount due from subsidiaries	14	**–**	–	**586**	602
Amount due from joint venture	15	**12**	–	**–**	–
Amount due from associate	16	**1**	–	**–**	–
Cash and cash equivalents	17	**1,166**	6,775	**341**	1,650
		5,080	12,257	**930**	2,257
Total assets		**12,851**	15,523	**9,687**	6,300
Current liabilities					
Trade payables	18	**2,289**	4,916	**–**	–
Provisions, accruals and other payables	19	**1,883**	4,528	**191**	230
Amount due to customers for project management contracts	20	**1,349**	–	**–**	–
Amount due to subsidiaries	14	**–**	–	**1,613**	40
Amount due to joint venture	15	**173**	–	**–**	–
Finance lease liability	22	**86**	70	**–**	–
Income tax payable		**47**	4	**–**	–
		5,827	9,518	**1,804**	270
Net current (liabilities)/assets		**(747)**	2,739	**(874)**	1,987

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2014

		Group		Company	
	Note	2014	2013	2014	2013
		$'000	$'000	$'000	$'000
Non-current liabilities					
Provisions, accruals and other payables	19	**(75)**	(96)	**–**	–
Finance lease liability	22	**(313)**	(262)	**–**	–
Deferred tax liabilities	23	**(77)**	(56)	**–**	–
Total liabilities		**6,292**	9,932	**1,804**	270
Net assets		**6,559**	5,591	**7,883**	6,030
Equity attributable to owners of the Company					
Share capital	21	**12,886**	6,672	**47,416**	41,202
Accumulated losses and other reserves		**(6,327)**	(1,081)	**(39,533)**	(35,172)
		6,559	5,591	**7,883**	6,030

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The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Attributable to owners of the Company			
	Share capital $'000	**Translation reserve[1] $'000**	**Retained earnings/ (Accumulated losses) $'000**	**Total equity $'000**
Group				
Balance at 1 January 2014	**6,672**	**(2)**	**(1,079)**	**5,591**
Issuance of shares	**6,214**	**–**	**–**	**6,214**
Loss for the year	**–**	**–**	**(5,203)**	**(5,203)**
Other comprehensive income	**–**	**(43)**	**–**	**(43)**
Total comprehensive loss for the year	**–**	**(43)**	**(5,203)**	**(5,246)**
Balance at 31 December 2014	**12,886**	**(45)**	**(6,282)**	**6,559**
Balance at 1 January 2013	6,672	–	6,030	12,702
Loss for the year	–	–	(7,109)	(7,109)
Other comprehensive income	–	(2)	–	(2)
Total comprehensive loss for the year	–	(2)	(7,109)	(7,111)
Balance at 31 December 2013	6,672	(2)	(1,079)	5,591

(1) Translation reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the Group's presentation currency.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Share capital $'000	Accumulated losses $'000	Total equity $'000
Company			
Balance at 1 January 2014	**41,202**	**(35,172)**	**6,030**
Issuance of shares	**6,214**	**–**	**6,214**
Loss for the year	**–**	**(4,361)**	**(4,361)**
Total comprehensive loss for the year	**–**	**(4,361)**	**(4,361)**
Balance at 31 December 2014	**47,416**	**(39,533)**	**7,883**
Balance at 1 January 2013	41,202	(23,997)	17,205
Loss for the year	–	(11,175)	(11,175)
Total comprehensive loss for the year	–	(11,175)	(11,175)
Balance at 31 December 2013	41,202	(35,172)	6,030

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Cash flows from operating activities			
Loss before taxation		**(5,204)**	(7,122)
Adjustments for:			
Depreciation of property, plant and equipment	7	**1,114**	855
Allowance for doubtful debts	12	**422**	126
(Gain)/loss on disposal of property, plant and equipment		**(50)**	66
Impairment loss on property, plant and equipment	7	**973**	–
Amortisation of other intangible assets	8	**51**	–
Loss on deemed disposal of subsidiary	9	**42**	–
Bad debts written off		**–**	42
Goodwill written off	8	**–**	1,317
Plant and equipment written off		**–**	62
Inventories obsolescence	11	**70**	(4)
Interest income		**(35)**	(46)
Interest expense		**54**	51
Unrealised exchange differences		**(43)**	(24)
Operating cash flows before changes in working capital		**(2,606)**	(4,677)
Changes in working capital			
Decrease in receivables		**1,345**	5,090
Increase in amount due to customers for project management contracts		**1,540**	–
(Increase)/decrease in inventories		**(48)**	16
Decrease in payables		**(5,547)**	(850)
Total changes in working capital		**(2,710)**	4,256
Cash used in operations		**(5,316)**	(421)
Interest received		**35**	46
Interest paid		**(54)**	(51)
Income taxes recovered		**1**	146
Net cash used in operating activities		**(5,334)**	(280)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	**(256)**	(699)
Proceeds from disposal of property, plant and equipment		**–**	30
Cash inflow from acquisition of a subsidiary	9	**114**	–
Cash outflow from loss of control in subsidiary	9(b)	**(193)**	–
Increase in amount due from associate		**(1)**	–
Net cash used in investing activities		**(336)**	(669)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Cash flows from financing activities			
Increase in amount due to joint venture		**173**	–
Repayment of obligations under finance leases		**(112)**	(46)
Net cash generated from/(used in) financing activities		**61**	(46)
Net decrease in cash and cash equivalents		**(5,609)**	(995)
Cash and cash equivalents at beginning of the year		**6,775**	7,770
Cash and cash equivalents at end of the year	17	**1,166**	6,775

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. CORPORATE INFORMATION

3Cnergy Limited is a limited liability company which is incorporated and domiciled in the Republic of Singapore and is listed on Catalist under Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 3 Lorong 6 Toa Payoh #01-01 HSR Building Singapore 319378.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements.

The Company is a subsidiary of Phileo Capital Limited, a company incorporated in the Cayman Islands. The entire issued and paid-up share capital of Phileo Capital Limited is held by ESCAN Trust reg, the trustee of a family trust of which Mr Tong Kooi Ong is the sole beneficiary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest thousand ($’000) except when otherwise indicated.

The Group incurred a net loss of S$5,203,000 (2013: S$7,109,000) during the financial year ended 31 December 2014 and as at that date, the Group’s current liabilities exceeded its current assets by S$747,000. In addition, the Company incurred a net loss of S$4,361,000 (2013: S$11,175,000) during the year ended 31 December 2014 and as of that date, the Company’s current liabilities exceeded its current assets by S$874,000. These conditions indicate the existence of a material uncertainty that may cast doubt about the Group and Company’s abilities to continue as going concerns.

Subsequent to the end of the reporting period, management has taken measures to improve the Group’s financial position. On 8 January 2015, 3Cnergy Limited has signed a shareholder loan agreement with Phileo Capital Limited, the holding company of 3Cnergy Limited. As per the loan agreement, Phileo Capital Limited will disburse loan advances to 3Cnergy Limited to meet its day-to-day operating and working capital needs. The loan is for a maximum amount of S$5 million. The unsecured loan is non-interest bearing, and Phileo Capital Limited agrees not to demand repayment of the loan before 30 June 2016. As of 2 April 2015, 3Cnergy Limited has received a loan of S$1 million from Phileo Capital Limited.

The financial statements have been prepared on a going concern basis as the Directors are satisfied that the shareholder loan will be sufficient to enable the Group and Company to pay their debts as and when they fall due for a period of not less than twelve months from the date of the financial statements.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") which are effective for annual periods beginning on or after 1 January 2014. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
Amendments to FRS 102 *Share Based Payment*	1 July 2014
Amendments to FRS 103 *Business Combinations*	1 July 2014
Amendments to FRS 108 *Operating Segments*	1 July 2014
Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
Amendments to FRS 16 *Property, Plant and Equipment and* FRS 38 *Intangible Assets*	
Amendments to FRS 24 *Related Party Disclosures*	1 July 2014
Improvements to FRSs (February 2014)	
Amendments to FRS 103 *Business Combinations*	1 July 2014
Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
Amendments to FRS 1: *Disclosure Initiative*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisition of Interests in Joint Operations*	1 January 2016
FRS 105 *Revenue From Contracts With Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation

A) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (Continued)

A) Basis of consolidation (Continued)

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

– De-recognises the carrying amount of any non-controlling interest;

– De-recognises the cumulative translation differences recorded in equity;

– Recognises the fair value of the consideration received;

– Recognises the fair value of any investment retained;

– Recognises any surplus or deficit in profit or loss;

– Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

B) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement is required by another FRS.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (Continued)

B) Business combinations and goodwill (Continued)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.7. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of comprehensive income except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to statement of comprehensive income of the Group on disposal of the foreign operation.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, all items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.19. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold land and building are measured at fair value less accumulated depreciation on building and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the capital reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the capital reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the capital reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:–

Air-conditioners	–	10 years
Computers	–	3 years
Electrical installation	–	7 to 8 years
Renovation	–	3 to 8 years
Kitchen equipment	–	8 years
Furniture and fixture	–	7 to 10 years
Office equipment	–	5 to 10 years
Motor vehicles	–	5 years

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

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Other intangible assets

Other intangible assets relate to contractual rights on project management contracts acquired in business combination. The useful lives of the contractual rights are 6 to 12 years, based on the expected duration of the projects. Amortisation of the assets follows the pattern in which the asset's future economic benefits are expected to be consumed, which is based on the stage of completion of the projects.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposals and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets (Continued)

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.11.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Joint ventures and associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associate and joint venture (Note 2.10) using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.12 Financial instruments

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial instruments (Continued)

(a) ***Financial assets*** *(Continued)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(ii) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

The Group does not have any held-to-maturity investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial instruments (Continued)

(a) ***Financial assets*** *(Continued)*

Subsequent measurement *(Continued)*

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

The Group does not have any available-for-sale financial assets.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of financial assets

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial instruments (Continued)

(b) ***Financial liabilities*** *(Continued)*

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) *Other financial liabilities*

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) ***Offsetting of financial instruments***

Financial assets and financial instruments liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term fixed deposits in banks which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Project management contracts

The Group principally operates fixed price long-term contracts. Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method), when the outcome of a project management contract can be estimated reliably.

When the outcome of a project management contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

An expected loss on the project management contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue. In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue multiplied by the actual completion rate based on the proportion of total contract costs incurred to date and the estimated costs to complete.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing inventories to their present location and condition are accounted at purchase costs on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Employee benefits

(a) ***Defined contribution plans***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee benefits (Continued)

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of each reporting period.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(a) ***As lessee***

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) ***As lessor***

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.22. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.22 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) ***Commission revenue and related services***

Revenue from commission is recognised when these services are rendered and are contractually billable. Revenue from related services such as course fee, bank referral fee, resale-net, valuation and e-stamping fee and refreshments are recognised when these services are rendered. Revenue from merchandising is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customers.

(b) ***Rendering of services***

Revenue from the management of long-term project management contracts is recognised by reference to the stage of completion at the end of the reporting period. Stage of completion is determined by reference to labour costs incurred to date as a percentage of total estimated labour costs for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

(c) ***Rental income***

Rental income from workstations and office premises is accounted for based on a straight-line basis over the lease terms stipulated in the contracts.

(d) ***Interest income***

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Income taxes

(a) ***Current tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) ***Deferred tax***

Deferred tax is provided using the liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:–

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Income taxes (Continued)

(b) ***Deferred tax*** *(Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

(c) ***Sales tax***

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

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the 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 balance sheet.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 26, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants are recognised in profit or loss over the period the entity recognises as expenses the related costs for which the grants are intended to compensate.

2.27 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.28 Related parties

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 conditions 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Related parties (Continued)

(b) (Continued)

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the 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);

(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).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the consolidated financial statements:

(a) ***Income taxes***

The Group has exposure to income taxes in Singapore and Malaysia. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable and deferred tax liabilities at 31 December 2014 was $47,000 (2013: $4,000) and $77,000 (2013: $56,000).

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 are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(a) ***Project management contracts***

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period, when the outcome of a project management contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date to the estimated total contract costs. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion. In making these estimates, management has relied on past experience and knowledge of the project management team. The carrying amounts of assets and liabilities arising from project management contracts at the end of each reporting period are disclosed in Note 20 to the financial statements.

(b) ***Impairment of non-financial assets***

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Further details of the key assumptions applied in the impairment assessment of property, plant and equipment, goodwill and investment in subsidiaries, are given in Notes 7, 8 and 9 to the financial statements.

(c) ***Impairment of loans and receivables***

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and the timing of future cash flows are being estimated based on a review of specific customers' balances. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 12 and Note 13 to the financial statements.

4a. REVENUE

	Group	
	2014	**2013**
	$'000	**$'000**
Commission	**23,990**	43,888
Course fees	**152**	374
Related services and merchandise	**933**	1,013
Project management fees	**381**	–
	25,456	45,275

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4b. OTHER OPERATING INCOME

	Group	
	2014 $'000	2013 $'000
Rental income	**1,151**	1,430
Government grants*	**159**	95
Others	**85**	83
Reversal of provision for legal costs (Note 19)	**1,619**	–
	3,014	1,608

* Government grants mainly relate to training grants from Inland Revenue Authority of Singapore and Singapore Workforce Development Agency.

5. LOSS BEFORE TAX

The following items have been included in arriving at loss before tax.

Cost of services rendered and goods sold comprises:

	Group	
	2014 $'000	2013 $'000
Commission expenses	**22,606**	37,948
Project management costs	**318**	–
Cost of inventories	**156**	145
	23,080	38,093

The following items have been included in arriving at general and administrative expenses:

	Group	
	2014 $'000	2013 $'000
Advertising	**220**	126
Audit fees paid to:		
– Auditors of the Company	**80**	77
– Other auditors	**4**	1
Non-audit fees paid to:		
– Auditors of the Company	**28**	83
– Other auditors	**28**	41
Net foreign exchange gain	**(8)**	(53)
Allowance for doubtful debts	**422**	126
Bad debts written off	**–**	42
Depreciation of property, plant and equipment (Note 7)	**1,114**	855
Amortisation of other intangible assets	**51**	–
Non-executive directors' fees	**170**	120
Goodwill written off	**–**	1,317
Hire purchase interest	**23**	10
Inventories obsolescence	**70**	(4)
Impairment of property, plant and equipment	**973**	–
Printing and stationeries	**89**	113
Rental of premises	**1,721**	1,613
Employee benefits (Note 27)	**4,240**	6,068
Restructuring including legal costs	**–**	3,334

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

6. TAXATION

Major components of income tax expense for the years ended 31 December 2014 and 2013 are:

	Group	
	2014	2013
	$'000	$'000
Tax credit in respect of loss for the year		
Current income tax:		
– Current year	**–**	–
– Overprovision in respect of previous years	**–**	–
Deferred income tax		
– Current year	**–**	(13)
– Overprovision in respect of previous years	**(1)**	–
Income tax for the year	**(1)**	(13)
Income tax credit recognised in profit or loss	**(1)**	(13)

Relationship between tax (credit)/expense and accounting loss

The reconciliation between tax (credit)/expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2014 and 2013 is as follows:

	Group	
	2014	2013
	$'000	$'000
Accounting loss before tax	**(5,204)**	(7,122)
Tax at Singapore statutory tax rate of 17%	**(885)**	(1,211)
Income not subject to taxation	**(6)**	(112)
Expenses not deductible for tax purposes	**220**	363
Effect of partial tax exemption and tax relief	**–**	(25)
Deferred tax assets not recognised	**695**	956
Overprovision of deferred tax	**(1)**	–
Effect of difference in tax rate	**(24)**	11
Others	**–**	5
	(1)	(13)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7. PROPERTY, PLANT AND EQUIPMENT

	At cost								
Group	**Air-conditioner $'000**	**Computer $'000**	**Electrical installation $'000**	**Renovation $'000**	**Kitchen equipment $'000**	**Furniture and fixture $'000**	**Office equipment $'000**	**Motor vehicles $'000**	**Total $'000**
Cost:									
At 31 December 2012	118	447	164	2,899	27	365	395	–	4,415
Additions	1	88	25	497	–	6	5	235	857
Disposals	–	(393)	(138)	(299)	–	(7)	(8)	–	(845)
At 31 December 2013	119	142	51	3,097	27	364	392	235	4,427
Additions	–	228	4	9	–	9	273	57	580
Acquisition of a subsidiary	–	32	6	47	–	25	4	–	114
Disposals	–	–	–	–	–	–	(304)	–	(304)
Exchange difference	–	–	(1)	(2)	–	(1)	(1)	–	(5)
At 31 December 2014	**119**	**402**	**60**	**3,151**	**27**	**397**	**364**	**292**	**4,812**
Accumulated depreciation									
At 31 December 2012	60	380	91	522	14	178	157	–	1,402
Depreciation charge for the year	12	46	8	678	3	37	63	8	855
Disposals	–	(361)	(93)	(226)	–	(3)	(3)	–	(686)
At 31 December 2013	72	65	6	974	17	212	217	8	1,571
Depreciation charge for the year	12	83	13	809	3	37	105	52	1,114
Disposals	–	–	–	–	–	–	(216)	–	(216)
Impairment loss	35	209	31	319	7	116	256	–	973
At 31 December 2014	**119**	**357**	**50**	**2,102**	**27**	**365**	**362**	**60**	**3,442**
Net carrying amount:									
At 31 December 2014	**–**	**45**	**10**	**1,049**	**–**	**32**	**2**	**232**	**1,370**
At 31 December 2013	47	77	45	2,123	10	152	175	227	2,856

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Assets held under finance lease

During the financial year, the Group acquired motor vehicles and copier with an aggregate cost of $319,000(2013: $158,000) by means of finance lease. The cash outflow from acquisition of property, plant and equipment amounted to $256,000 (2013: $699,000).

The carrying amount of property, plant and equipment under finance lease at the end of the reporting period was $232,000 (2013: $367,000).

Impairment of property, plant and equipment

During the financial year, 2 subsidiaries of the Group, HSR International Realtors Pte Ltd and Hastor Property Services Pte Ltd, carried out a review of the recoverable amount of property, plant and equipment as both companies have been persistently making losses. Impairment losses of $905,000 (2013: NIL) and $67,000 (2013: NIL) were recognised respectively for the 2 companies in "General and other administrative expenses" (Note 5) line item of profit or loss for the financial year ended 31 December 2014, representing full impairment of these property, plant and equipment. The recoverable amounts were based on cash flow forecasts which showed negative cash flows over the remaining useful lives of these assets.

8. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets arising from acquisition of subsidiaries are as follows:

	Goodwill $'000	Other intangible assets $'000	Total $'000
Cost			
At 1 January 2013	1,317	–	–
Goodwill written off	(1,317)	–	–
At 31 December 2013 and 1 January 2014	–	–	–
Acquisition of a subsidiary (Note 9(a))	3,734	2,313	6,047
At 31 December 2014	3,734	2,313	6,047
Accumulated amortisation			
At 1 January 2013, 31 December 2013 and 1 January 2014	–	–	–
Amortisation	–	(51)	(51)
At 31 December 2014	–	(51)	(51)
Net carrying amount at 31 December 2014	3,734	2,262	5,996

The goodwill and intangibles arose from the acquisition of Orientis Solutions Sdn Bhd and have been provisionally determined (Note 9).

Other intangible assets

Other intangible assets relate to contractual rights on project management contracts acquired in business combination and have average remaining amortisation period of 11 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

8. GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

Amortisation expense

Amortisation of other intangible assets is included in "General and administrative expenses" line item in profit or loss.

Impairment testing of goodwill

In 2014, goodwill acquired through business combination of $3,734,000 has been determined on a provisional basis and management has not completed the allocation of goodwill to cash-generating units at the reporting date. As there is no indication of impairment, no impairment test was required to be performed in 2014.

In 2013, the Company carried out a value-in-use assessment for the real estate agency cash generating units ("CGU") to estimate its recoverable value. As the recoverable amount is lesser than the carrying amount of CGU, the Company recognised an impairment loss of $1,317,000 in profit and loss to write-down the carrying amount of goodwill attributable to real estate agency segment in view of continued losses incurred. The impairment loss was recognised in profit or loss under the line item "general and administrative expenses".

9. INVESTMENT IN SUBSIDIARIES

	Company	
	2014	**2013**
	$'000	**$'000**
Unquoted shares, at cost	**30,821**	30,821
Issuance of shares for acquisition of subsidiary	**6,214**	–
Allowance for impairment loss	**(28,278)**	(26,778)
	8,757	4,043
Movement in the above allowance:		
At 1 January	**26,778**	16,346
Charge to income statement during the year	**1,500**	10,432
At 31 December	**28,278**	26,778

Impairment testing of investment in subsidiaries

Assessment of impairment in investment in subsidiaries is carried out every year end and the necessary allowances are accordingly made. During the financial year, an impairment loss of $1,500,000 (2013: $10,432,000) was recognised for the investment in HSR International Realtors Pte Ltd ("HSR") to fully write down this subsidiary due to the losses incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Investments in subsidiaries are as follows:

Name	Principal activities	Country of incorporation	Effective interest 2014 %	Effective interest 2013 %	Cost of investment carried by the Company 2014 $'000	Cost of investment carried by the Company 2013 $'000
Held by the Company:						
HSR International Realtors Pte Ltd[i]	Real estate and housing agency	Singapore	**100**	100	**28,000**	28,000
HSR Property Consultants Pte Ltd[iii]	Real estate and housing agency	Singapore	**100**	100	**283**	283
Whitehouse Holdings Pte Ltd[i]	Property management	Singapore	**100**	100	**2,500**	2,500
HSR Global (Australia) Pty Ltd[ii]	Dormant	Australia	**100**	100	**–**	–
3Cnergy Property Management Pte Ltd (formerly known as Optimax Consultancy Pte. Ltd.)[iii]	Providing software consultancy, development of software and other related activities	Singapore	**100**	100	**38**	38
3Cnergy Sdn. Bhd. [iv]	Management and research on real estate	Malaysia	**100**	100	**–**	–
Orientis Solutions Sdn Bhd[iv] (Note a)	Providing architectural design, project financial feasibility assessment, engineering expertise and construction management services.	Malaysia	**100**	–	**6,214**	–
Held indirectly through HSR International Realtors Pte Ltd:						
Hastor Property Services Pte Ltd[i]	Providing training services	Singapore	**100**	100	**–**	–
3C Property Consultants Pte Ltd (formerly known as Paxel Design Pte. Ltd.)[i] (Note b)	Providing valuation services	Singapore	**	100	**–**	–
Paxel Consultants Pte Ltd[iii]	Consulting services in design and architectural work	Singapore	**100**	100	**–**	–

i Audited by Ernst & Young LLP, Singapore
ii Not required to be audited under the laws of the country of incorporation
iii Unaudited as the company is dormant
iv Audited by Deloitte (AF0080) Chartered Accountants, Malaysia
** 3C Property Consultants Pte Ltd has been reclassified to a joint venture, see Note 9(b)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of Orientis Solutions Sdn Bhd

On 9 May 2014, the Company had entered into a sale and purchase agreement with Medeva Venture Limited (the "Vendor") to acquire the entire issued and paid-up share capital of Orientis Solutions Sdn. Bhd. ("Orientis"), a wholly-owned subsidiary of the Vendor. On 7 July 2014, the acquisition was completed and 21,428,571 consideration shares had been allotted and issued to the Vendor. Orientis is an integrated property development management firm offering architectural design, project financial feasibility assessment, engineering expertise and construction management services.

Provisional accounting of the acquisition of Orientis

Under FRS 103, the Group has a one year period from acquisition date to complete its accounting for this business combination. The Group is in the process of engaging an independent valuer to determine the fair value of the identifiable assets and liabilities of Orientis. As at 31 December 2014, the fair value of the contractual rights intangibles amounting to $2,313,000 has been determined on a provisional basis as the final results of the independent valuation are not available by the date the financial statements were authorised for issue. Management expects to finalise its accounting for the acquisition in 2015. Goodwill arising from this acquisition, the carrying amount of the contractual rights intangibles and related amortisation, deferred tax liability and other identifiable assets and liabilities will be adjusted accordingly on a retrospective basis when the valuation of the identifiable assets and liabilities of Orientis is finalised.

The provisional fair values of the identifiable assets and liabilities of Orientis as at the acquisition date were as follows:

	2014 Provisional fair value recognised on acquisition $'000
Property, plant and equipment (Note 7)	**114**
Other intangible assets (Note 8)	**2,313**
Amount due from customers for project management contracts	**282**
Other receivables, deposits and prepayments	**65**
Cash and bank balances	**114**
	2,888
Amount due to contract customer	**91**
Other creditors and accruals	**19**
Provision	**235**
Deferred tax liabilities	**14**
Income tax payable	**49**
	408
Total identifiable net assets at fair value	**2,480**
Goodwill arising from acquisition	**3,734**
Total consideration paid through issuance of 21,428,571 ordinary shares of 3Cnergy Limited at S$0.29 per share	**6,214**
Effect of the acquisition on cash flows	
Total consideration	**6,214**
Less: non-cash consideration	**(6,214)**
Consideration settled in cash	**–**
Less: Cash and cash equivalents of subsidiary acquired	**114**
Net cash inflow on acquisition	**114**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of Orientis Solutions Sdn Bhd (Continued)

Equity instruments issued as part of consideration transferred

In connection with the acquisition of Orientis, 3Cnergy Limited issued 21,428,571 ordinary shares with a fair value of $0.29 each. The fair value of these shares is the published price of the shares at the acquisition date.

Transaction costs

Transaction costs related to the acquisition of $118,000 have been recognised in the "Administrative expenses" line item in the Group's profit or loss for the year ended 31 December 2014.

Goodwill arising from acquisition

The provisional goodwill of $3,734,000 comprises the value of strengthening the Group's market position in Malaysia that is expected to arise from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Impact of the acquisition on profit or loss

From the acquisition date, Orientis has contributed $381,000 of revenue and loss of $31,000 to the Group's loss for the year. If the business combination had taken place at the beginning of the year, the Group's revenue would have been $1,125,000 higher and the Group's loss, net of tax would have been $157,000 lower.

(b) Loss of control in subsidiary – 3C Property Consultants Pte Ltd

On 11 November 2014, the Group restructured a dormant subsidiary, 3C Property Consultants Pte Ltd (formerly known as Paxel Design Pte Ltd), through the issue of new shares to an external party to form a joint venture for a property valuation business. The Group's shareholding was decreased to 60%, while the other party held 40%. However, all major decisions require unanimous consent of the two shareholders. Therefore, this investee was deconsolidated and is accounted for as a joint venture (Note 10).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Loss of control in subsidiary (Continued)

The value of assets and liabilities of 3C Property Consultants Pte Ltd recorded in the consolidated financial statements as at 11 November 2014, and the effects of the disposal were:

	2014 $'000
Other receivables, deposits and prepayments	6
Cash and bank balances	193
	199
Non-trade creditors	13
Accruals	4
Carrying value of net assets	182
Cash consideration	–
Cash and cash equivalents of the subsidiary	193
Cash outflow from loss of control in subsidiary	(193)

Loss on disposal:

	2014 $'000
Net assets derecognised	(182)
Fair value of retained interest[1]	140
Loss on disposal	(42)

[1] The fair value of the retained interest is based on the Group's share of the carrying amount of net assets of the joint venture. The carrying amount of the assets and liabilities of the joint venture approximate their fair values because these are mostly short term in nature.

10. INVESTMENT IN JOINT VENTURE

The Group has 60% (2013: NIL) interest in the ownership and voting rights in a joint venture, 3C Property Consultants Pte Ltd that is held through a subsidiary. The joint venture is incorporated in Singapore and is in the business of property valuation. The Group jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

Summarised financial information in respect of 3C Property Consultants Pte Ltd based on its FRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	2014 $'000
Cash and cash equivalents	33
Other receivables	217
Total assets	250
Total liabilities	17
Net assets	233
Proportion of the Group's ownership	60%
Group's share of net assets/carrying amount of the investment	140

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

10. INVESTMENT IN JOINT VENTURE (CONTINUED)

Summarised statement of comprehensive income

	2014 $'000
Revenue	–
Operating expenses	(2)
Interest expense	–
Loss before tax	(2)
Income tax expense	–
Loss after tax	(2)
Other comprehensive income	–
Total comprehensive income	(2)

11. INVENTORIES

	Group	
	2014 $'000	2013 $'000
Balance sheet:		
Consumable items	1	10
Marketing and food supplies	69	83
	70	93
Income statement:		
Inventories recognised as an expense in cost of sales	136	145
Inclusive of following (credit)/charge:		
– Inventories written-down	70	–
– Reversal of write-down of inventories	–	(4)

The reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts during the financial year.

12. TRADE RECEIVABLES

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade receivables	5,453	6,085	–	–
Less: Allowance for doubtful debts	(2,108)	(1,250)	–	–
Trade receivables, net	3,345	4,835	–	–
Other receivables and deposits (Note 13)	436	529	–	–
Total trade and other receivables	3,781	5,364	–	–
Amount due from subsidiaries (Note 14)	–	–	586	602
Amount due from joint venture (Note 15)	12	–	–	–
Amount due from associate (Note 16)	1	–	–	–
Cash and cash equivalents (Note 17)	1,166	6,775	341	1,650
Total loans and receivables	4,960	12,139	927	2,252

NOTES TO THE FINANCIAL STATEMENTS
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12. TRADE RECEIVABLES (CONTINUED)

Trade receivables are non-interest bearing and are generally due upon billing. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables are balances totalling $1,546,000 (2013: NIL) which is due from companies related to the non-executive chairman (Note 28).

Included in the trade receivables at 31 December are the following foreign currency denominated balances:

	Group	
	2014	**2013**
	$'000	**$'000**
Malaysia Ringgit ("MYR")	**33**	661
Great British Pound ("GBP")	**–**	17
Australian Dollar ("AUD")	**–**	28
Thai Baht ("THB")	**4**	–

Receivables that are past due but not impaired

The Group has trade receivables amounting to $3,077,000 (2013: $4,733,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2014	**2013**
	$'000	**$'000**
Past due:		
1 – 30 days	**289**	636
31 – 60 days	**522**	978
61 – 90 days	**717**	760
91 – 180 days	**1,549**	1,131
More than 180 days	**–**	1,228
	3,077	4,733

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2014	**2013**
	$'000	**$'000**
Trade receivables – nominal amounts	**2,108**	1,250
Less: Allowance for doubtful debts	**(2,108)**	(1,250)
	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12. TRADE RECEIVABLES (CONTINUED)

Receivables that are impaired (Continued)

	Group	
	2014	**2013**
	$'000	**$'000**
Movement in allowance accounts:		
At 1 January	**1,250**	2,284
Charge/(write-back) for the year	**871**	(848)
Written off	**(13)**	(186)
At 31 December	**2,108**	1,250

13. OTHER RECEIVABLES AND DEPOSITS

	Group	
	2014	**2013**
	$'000	**$'000**
Financial assets:		
Current		
Other receivables	**69**	66
Deposits	**92**	44
Loan to staff	**10**	9
	171	119
Non-current		
Deposits	**265**	410

The Group has deposits that are refundable upon expiry of lease agreements. Loan to staff is unsecured, interest free and repayable on demand.

All other receivables are denominated in Singapore Dollars.

14. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2014	**2013**
	$'000	**$'000**
Amount due from subsidiaries	**4,359**	1,415
Less: Allowance for doubtful debts	**(3,773)**	(813)
Amount due from subsidiaries, net	**586**	602
Movement in allowance accounts:		
At 1 January	**813**	–
Charge for the year	**2,960**	813
At 31 December	**3,773**	813
Amount due to subsidiaries	**1,613**	40

The amount due from/(to) subsidiaries is non-trade in nature, unsecured, interest-free and repayable on demand in cash.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

14. AMOUNT DUE FROM/(TO) SUBSIDIARIES (CONTINUED)

Amount that is impaired

At the end of the reporting period, the Company provided an allowance of $2,960,000 (2013: $813,000) for amount due from subsidiaries of $2,960,000 (2013: $997,000) as the subsidiaries have been suffering significant financial losses for the current and past financial years.

15. AMOUNT DUE FROM/(TO) JOINT VENTURE

The amount due from joint venture is unsecured, interest-free and repayable on demand and to be settled in cash. The amount due to joint venture is a loan which is unsecured, interest-free and repayable on demand in cash.

16. INVESTMENT IN ASSOCIATE AND AMOUNT DUE FROM ASSOCIATE

The Group's investment in associate is summarised below:

Name	Principal activities	Country of incorporation	Effective interest		Cost of investment carried by the Company	
			2014	2013	2014	2013
			%	%	$'000	$'000
Held through 3Cnergy Sdn Bhd:						
HSR Realtors (Malaysia) Sdn. Bhd.[v]	Real estate and housing agency	Malaysia	**39**	–	**–***	–

v Audited by Deloitte (AF0080) Chartered Accountants, Malaysia
* Amount less than $1,000

The Group invested $15 for 39% shareholding in HSR Realtors (Malaysia) Sdn. Bhd. on 30 August 2014. The Group's share of results of this associate is not material.

The amount due from associate is unsecured, interest-free and repayable on demand and to be settled in cash.

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Cash at banks	**1,164**	6,773	**341**	1,650
Cash on hand	**2**	2	**–**	–
	1,166	6,775	**341**	1,650

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.05% to 0.09% (2013: 0.05% to 0.09%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

18. TRADE PAYABLES

	Group 2014 $'000	Group 2013 $'000
Trade payables	**3,430**	5,608
Less: Reduction in commission payables	**(1,141)**	(692)
Trade payables, net	**2,289**	4,916

Trade payables are non-interest bearing and are mainly commissions payable to salespersons that will be paid upon receipt of commission due from customers. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

All trade payables are denominated in Singapore Dollars.

Payables that are related to impaired receivables

The Group's commissions payable are presented net of reduction of $1,141,000 (2013: $692,000) of commissions payable relating to receivables that are impaired at the end of the reporting period.

	Group 2014 $'000	Group 2013 $'000
Commission payable – nominal amounts	**1,141**	692
Less: Reduction in commissions payable	**(1,141)**	(692)
	–	–
Movement in reduction in commissions payable:		
At 1 January	**692**	1,751
Charge/(write-back) for the year	**449**	(974)
Written-off	**–**	(85)
At 31 December	**1,141**	692

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade payables	**2,289**	4,916	**–**	–
Add:				
Amount due to subsidiaries (Note 14)	**–**	–	**1,613**	40
Amount due to joint venture (Note 15)	**173**	–	**–**	–
Finance lease liability (Note 22)	**399**	332	**–**	–
Other payables (Note 19)	**658**	1,420	**36**	102
Accrued expenses (Note 19)	**658**	337	**155**	128
Deposits collected – current (Note 19)	**113**	303	**–**	–
Deposits collected – non current (Note 19)	**75**	96	**–**	–
Total financial liabilities carried at amortised cost	**4,365**	7,404	**1,804**	270

These amounts are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

19. PROVISIONS, ACCRUALS AND OTHER PAYABLES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Current:				
Advance receipts	**276**	268	**–**	–
Other payables	**658**	1,420	**36**	102
Accrued expenses	**658**	337	**155**	128
Provision for legal costs	**178**	2,200	**–**	–
Deposits collected	**113**	303	**–**	–
	1,883	4,528	**191**	230
Non-current:				
Deposits collected	**75**	96	**–**	–

Provision for legal costs relate to the cost of legal suit relating to a collective sales project, Thomson View, provided in 2013.

All other payables and accruals are denominated in Singapore Dollars.

20. AMOUNT DUE TO CUSTOMERS FOR PROJECT MANAGEMENT CONTRACTS

	Group	
	2014	**2013**
	$'000	**$'000**
Gross amount due to customers for project management contracts		
Aggregate amount of costs incurred	**1,381**	–
Recognised profits to date for project management contracts	**500**	–
Less: Progress billings and advances	**(3,230)**	–
	(1,349)	–

21. SHARE CAPITAL

	Company			
	2014		**2013**	
	Number of shares	**$'000**	**Number of shares**	**$'000**
Issued and fully paid ordinary share capital				
At 1 January	**98,492,791**	**41,202**	98,492,791	41,202
Issuance of shares	**21,428,571**	**6,214**	–	–
At 31 December	**119,921,362**	**47,416**	98,492,791	41,202

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

22. FINANCE LEASE LIABILITY

The Group has finance leases for certain items of office equipment and motor vehicles. The leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2014		2013	
	Minimum lease payments $'000	Present value of payments $'000	Minimum lease payments $'000	Present value of payments $'000
Within one year	**102**	**86**	83	70
Between two to five years	**314**	**297**	281	262
More than five years	**26**	**16**	–	–
Total minimum lease payments	**442**	**399**	364	332
Finance charges allocated to future years	**(43)**	**–**	(32)	–
Present value of minimum lease payments	**399**	**399**	332	332

Effective interest rate is 5% (2013: 5%) per annum. These obligations are secured by a charge over the leased assets (Note 7).

23. DEFERRED TAX

Deferred tax as at 31 December relates to the following:

	Group	
	2014 $'000	2013 $'000
Deferred tax liabilities:		
Differences in depreciation for tax purposes	**(77)**	(56)

At the end of the reporting date, the Group has tax losses of approximately $6,514,000 (2013: $2,429,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the Singapore tax legislation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

24. OPERATING LEASE COMMITMENTS

(a) ***Operating lease commitments – as lessee***

The Group and Company lease certain properties with an average tenure of 1 to 5 years with no option or escalation clause included in the contracts. Rental of premises for the year amounted to $1,276,000 (2013: $1,613,000) for the Group. At the end of the reporting period, the Group was committed to making the following payments in respect of operating leases.

	Group	
	2014	**2013**
	$'000	**$'000**
Within one year	**1,325**	1,614
Within 2 to 5 years	**867**	2,085
	2,192	3,699

(b) ***Operating lease commitments – as lessor***

The Group has entered into commercial property leases. The future minimum rentals receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2014	**2013**
	$'000	**$'000**
Within one year	**697**	901
Within 2 to 5 years	**385**	751
	1,082	1,652

25. EARNINGS PER SHARE

Basic earnings per ordinary share is computed by dividing the earnings attributable to the equity holders from continuing operations of the Group in each financial period by the weighted average number of ordinary shares in issue during the respective financial period.

There were no dilutive ordinary shares in existence during the current financial period reported on and the previous corresponding period. Accordingly, the basic and fully diluted earnings per share for the respective financial period were the same.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2014	**2013**
	$'000	**$'000**
Loss for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share from continuing operations	**(5,203)**	(7,109)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

25. EARNINGS PER SHARE (CONTINUED)

	2014	2013
	No of shares	
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	**108,943**	98,493

The basic and diluted earnings per share are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively. These profit and share data are presented in the tables in Note 25 above.

26. SEGMENT INFORMATION

Management views the Group as one reportable operating segment: real estate and housing agents. Real estate and housing agency segment relates mainly to agency services for the resale residential market, new development projects in Singapore and new development projects in overseas markets and real estate project management. Agency services for the resale residential market includes sale and lease of public and private residential properties and commercial/industrial properties including HDB flats, landed property and commercial property spaces. The segment also includes related services which relate mainly to bank referral services, resale net transaction services, e-stamping services, training services, classified advertisement booking services and sale of marketing materials and merchandise to salespersons. Real estate project management services include architectural design, project financial feasibility assessment, engineering expertise and construction management services.

No operating segments have been aggregated to form the above reportable operating segment.

Management monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which is measured similarly to operating profit or loss in the consolidated financial statements.

(a) ***Business segments***

	Real estate and housing agents		Note
	2014	2013	
	$'000	$'000	
Segment revenue			
Sales to external customers	**25,456**	45,275	
Results:			
Interest income	**35**	46	
Impairment loss on property, plant and equipment	**(973)**	–	
Depreciation	**(1,114)**	(855)	
Goodwill written off	**–**	1,317	
Other non-cash expenses	**(493)**	(1,482)	(A)
Segment results	**(5,203)**	(7,109)	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

26. SEGMENT INFORMATION (CONTINUED)

(a) ***Business segments** (Continued)*

	Real estate and housing agents		Note
	2014	**2013**	
	$'000	**$'000**	
Assets:			
Additions to non-current assets	**6,417**	699	(B)
Segment assets	**12,851**	15,523	
Segment liabilities	**6,292**	9,932	

Notes

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

(A) Other non-cash expenses consist of allowance for doubtful debts and inventories written-down.

(B) Additions to non-current assets relate to additions of property, plant and equipment and non-current assets acquired through business combination (Note 9).

(b) ***Geographical segments***

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**24,685**	42,934	**1,417**	3,266
Malaysia	**771**	2,341	**6,354**	–
	25,456	45,275	**7,771**	3,266

Non-current assets information presented above consist of property, plant and equipment and deposits as presented in the consolidated balance sheet.

27. EMPLOYEE BENEFITS

	Group	
	2014	**2013**
	$'000	**$'000**
Employee benefits expense (including directors):		
Salaries and bonuses	**3,809**	4,703
Central Provident Fund contributions	**308**	608
Other short-term benefits	**123**	757
	4,240	6,068

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. RELATED PARTY TRANSACTIONS

(a) ***Sales and purchase of goods and purchases***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Income				
Project management service	**381**	–	**–**	–
Management fees charged to subsidiaries	**–**	–	**1,110**	2,264
Interest income on loan to a subsidiary	**–**	–	**48**	43
Expenses				
Advertising fees paid to a company in which a director of the Company has a substantial interest	**59**	11	**–**	–

Transactions with companies related to non-executive chairman

Orientis has project management contracts with Liberty Bridge Sdn. Bhd. and Publiq Development Group Sdn Bhd (formerly known as Rainbow Crest Sdn. Bhd.), which are related to a director. The total fees for these contracts amount to RM 47 million (S$18,290,000) and RM 9.8 million (S$3,810,000), respectively. The progress billings for the project management service amounted to $1,939,000 for the period from 7 July 2014 (acquisition date of Orientis) to 31 December 2014, while the revenue recognised under percentage of completion was $381,000 for the same period. S$1,546,000 was outstanding from Liberty Bridge as at 31 December 2014.

(b) ***Compensation of key management personnel***

	Group	
	2014	**2013**
	$'000	**$'000**
Short-term employee benefits	**938**	1,468
Central Provident Fund contributions	**23**	29
	961	1,497
Comprises amounts paid to:		
Directors of the Company	**359**	1,081
Other key management personnel	**602**	416
	961	1,497

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale. There are no financial instruments carried at fair value.

(a) ***Fair value of financial instruments by class that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Determination of fair value

Management has determined that the carrying amounts of cash and cash equivalents, trade receivables, other receivables and deposits, amount due from subsidiaries and trade and other payables and accruals reasonably approximate their fair values because these are mostly short term in nature.

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value***

The fair values of finance lease obligations have been determined using discounted cash flows. The discount rates used are the current market incremental lending rates for similar types of lending and leasing arrangements. The fair value of finance lease obligations is as follows:

	2014		2013	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Finance lease obligations	**399**	**442**	332	364

30. FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The board of directors reviews and approves policies and procedures for the management of these risks which are also executed by the active directors. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

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

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increase in credit risk exposure. The Group trades with all third parties but will only provide credit terms upon approval of the Chief Executive Officer. The receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

NOTES TO THE FINANCIAL STATEMENTS

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30. FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risk*** *(Continued)*

Exposure to credit risk

Included within the Group's financial assets are commission receivables for which corresponding commissions payable to salespersons will be paid upon receipt of the amounts due, thus reducing the credit risk exposure of the Group. Therefore, at the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised in the balance sheets less commissions payable. The Group's and the Company's maximum exposure to credit risk at the end of the reporting period is as follows:

	Group		**Company**	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Total financial assets	**4,960**	12,139	**927**	2,252
Less: Commissions payable	**(1,898)**	(4,307)	**–**	–
Net exposure	**3,062**	7,832	**927**	2,252

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2014		2013	
	$'000	**% of total**	$'000	% of total
By country				
Singapore	**1,739**	**52%**	4,104	85%
Malaysia	**1,602**	**47%**	661	14%
Others	**4**	**1%**	70	1%
	3,345	**100%**	4,835	100%

At the end of the reporting period, approximately 39% (2013: 51%) of the Group's trade receivables were due from 5 major customers (2013: 4) who are located in Singapore and Malaysia (2013: Singapore).

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12 (Trade receivables).

NOTES TO THE FINANCIAL STATEMENTS

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30. FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of collections and payments timing. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities to pay for liabilities that are due in the next six months.

Analysis of financial instruments by remaining contractual maturities

The table below summarizes the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments obligations.

	2014				2013			
	One year or less $'000	Two to five years $'000	More than five years $'000	Total $'000	One year or less $'000	Two to five years $'000	More than five years $'000	Total $'000
Group								
Trade receivables	**3,345**	**–**	**–**	**3,345**	4,835	–	–	4,835
Other receivables	**171**	**265**	**–**	**436**	119	410	–	529
Amount due from joint venture	**12**	**–**	**–**	**12**	–	–	–	–
Amount due from associate	**1**	**–**	**–**	**1**	–	–	–	–
Cash and cash equivalents	**1,166**	**–**	**–**	**1,166**	6,775	–	–	6,775
Total undiscounted financial assets	**4,695**	**265**	**–**	**4,960**	11,729	410	–	12,139
Trade and other payables	**3,718**	**75**	**–**	**3,793**	6,976	96	–	7,072
Amount due to joint venture	**173**	**–**	**–**	**173**	–	–	–	–
Finance lease liability	**102**	**314**	**26**	**442**	83	281	–	364
Total undiscounted financial liabilities	**3,993**	**389**	**26**	**4,408**	7,059	377	–	7,436
Total net undiscounted financial assets/ (liabilities)	**702**	**(124)**	**(26)**	**552**	4,670	33	–	4,703

NOTES TO THE FINANCIAL STATEMENTS

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30. **FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES** (CONTINUED)

(b) ***Liquidity risk*** *(Continued)*

	2014				2013			
	One year or less $'000	**Two to five years $'000**	**More than five years $'000**	**Total $'000**	**One year or less $'000**	**Two to five years $'000**	**More than five years $'000**	**Total $'000**
Company								
Amount due from subsidiaries	**586**	**–**	**–**	**586**	602	–	–	602
Cash and cash equivalents	**341**	**–**	**–**	**341**	1,650	–	–	1,650
Total undiscounted financial assets	**927**	**–**	**–**	**927**	2,252	–	–	2,252
Trade and other payables	**191**	**–**	**–**	**191**	230	–	–	230
Amount due to subsidiaries	**1,613**	**–**	**–**	**1,613**	40	–	–	40
Total undiscounted financial liabilities	**1,804**	**–**	**–**	**1,804**	270	–	–	270
Total net undiscounted financial assets	**(877)**	**–**	**–**	**(877)**	1,982	–	–	1,982

(c) ***Foreign currency risk***

The Group has transactional currency exposures arising from sales that are denominated in currency other than the functional currency of the Group entities, SGD. Approximately 3% (2013: 5%) of the Group's sales are denominated in foreign currencies. The Group's trade receivables balances at the reporting date have similar exposure. The Group's policy is to manage its exposure to foreign currency risk by matching its sales denominated in SGD and other currencies with its purchases in the same currencies.

<u>Sensitivity analysis for foreign currency risk</u>

The following table demonstrates the sensitivity of the Group's loss after tax to a reasonably possible change in MYR exchange rate against SGD, with all other variables held constant.

		Group	
		2014 $'000 Decrease/ (increase) in loss after tax	**2013 $'000 Decrease/ (increase) in loss after tax**
MYR/SGD	– strengthened 3% (2013: 5%)	**11**	29
	– weakened 3% (2013: 5%)	**(11)**	(29)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in accordance to its capital requirements. Currently, the Group's capital requirements are limited to investment in fixed operating assets. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013. The Group monitors the level of capital, which is the equity attributable to the owners of the Company.

32. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 8 January 2015, the Company signed a shareholder loan agreement with Phileo Capital Limited, the major shareholder. The loan is for a maximum amount of S$5 million. The loan is non-interest bearing, and Phileo Capital Limited agreed not to demand repayment of the loan before 30 June 2016. 3Cnergy Limited has drawn down S$1 million from Phileo Capital Limited in January 2015.

As part of the Group restructuring, 3Cnergy Limited has acquired the entire equity interests of 150,000 shares, representing 60% of the issued and paid up capital of 3C Property Consultants Pte Ltd from its wholly-owned subsidiary, HSR International Realtors Pte Ltd, at a total consideration of $140,037 on 3 February 2015.

As part of the Group restructuring, 3Cnergy Limited has acquired the entire issued share capital of Paxel Consultants Pte Ltd from its wholly-owned subsidiary, HSR International Realtors Pte Ltd, at a total consideration of $1 on 28 February 2015.

33. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 2 April 2015.

STATISTICS OF SHAREHOLDINGS
AS AT 18 MARCH 2015

Number of shares : 119,921,362
Class of shares : Ordinary Shares
Voting rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1	0.22	40	0.00
100 – 1,000	265	58.50	158,500	0.13
1,001 – 10,000	134	29.58	558,500	0.47
10,001 – 1,000,000	43	9.49	3,805,500	3.17
1,000,001 AND ABOVE	10	2.21	115,398,822	96.23
	453	100.00	119,921,362	100.00

TOP TWENTY SHAREHOLDERS

No	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	CIMB SECURITIES (SINGAPORE) PTE LTD	65,368,500	54.51
2	UOB KAY HIAN PTE LTD	21,428,571	17.87
3	RAFFLES NOMINEES (PTE) LTD	13,001,000	10.84
4	HSBC (SINGAPORE) NOMINEES PTE LTD	4,000,000	3.34
5	CLEAN SYSTEMS (S) PTE LTD	2,650,251	2.21
6	LEONG HONG KAH	2,624,500	2.19
7	LIEW SIOW GIAN PATRICK	2,000,000	1.67
8	DBS NOMINEES PTE LTD	1,930,000	1.61
9	BANK OF SINGAPORE NOMINEES PTE LTD	1,371,000	1.14
10	LIM & TAN SECURITIES PTE LTD	1,025,000	0.85
11	CITIBANK NOMINEES SINGPORE PTE LTD	800,000	0.67
12	HIS INTERMEDIA MARKETING (S) PTE LTD	648,000	0.54
13	UNITED OVERSEAS BANK NOMINEES PTE LTD	380,000	0.32
14	MAYBANK KIM ENG SECURITIES PTE LTD	305,000	0.25
15	DBS VICKERS SECURITIES (S) PTE LTD	163,000	0.14
16	NG KAH TIE	129,500	0.11
17	GOH NAE GUANG	100,000	0.08
18	RAMESH S/O PRITAMDAS CHANDIRAMANI	100,000	0.08
19	LEE HOCK SENG	96,000	0.08
20	SAI YEE @ SIA SAY YEE	75,000	0.06
	TOTAL:	**118,195,322**	**98.56**

STATISTICS OF SHAREHOLDINGS
AS AT 18 MARCH 2015

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 18 March 2015, approximately 15.09% of the issued ordinary shares of the Company were held in the hands of the public. Accordingly, Rule 723 of the Catalist Rules, issued by the Singapore Exchange Securities Trading Limited, is complied with.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

		Direct Interest		Deemed Interest	
No.	**Name**	**No. of shares**	**%**	**No. of shares**	**%**
1	Phileo Capital Limited [1]	65,368,500	54.51	–	–
2	Escan Trust reg. [2]	–	–	65,368,500	54.51
3	Tong Kooi Ong [3]	–	–	65,368,500	51.51
4	Lim Sook Lin [4]	13,000,000	10.84	2,000,000	1.67
5	Liew Siow Gian Patrick [5]	2,000,000	1.67	13,000,000	10.84
6	Medeva Venture Limited [6]	21,428,571	17.87	–	–
7	Ong Chou Wen [7]	–	–	21,428,571	17.87
8	Tung Shao Yin [8]			21,428,571	17.87

Notes: -

(1) The entire 65,368,500 shares are held in the name of CIMB Securities (Singapore) Pte Ltd.

(2) By virtue of Section 4 of the Securities Futures Act (Chapter 289 of Singapore), Escan Trust reg. is deemed interested in the 65,368,500 Shares held by Phileo Capital Limited as it is the sole registered shareholder of the entire issued and paid-up share capital of Phileo Capital Limited.

(3) By virtue of Section 4 of the Securities Futures Act (Chapter 289 of Singapore), Mr Tong Kooi Ong is deemed interested in the 65,368,500 Shares held by Phileo Capital Limited as he is the sole ultimate beneficial shareholder of Phileo Capital Limited through Escan Trust reg., the trustee of a family trust of which Mr Tong Kooi Ong is the sole beneficiary.

(4) The entire 13,000,000 shares are held in the name of Raffles Nominees (Pte) Ltd. Ms Lim Sook Lin is the spouse of Mr Liew Siow Gian Patrick and is deemded to be interested in the 2,000,000 shares held by Mr Liew Siow Gian Patrick.

(5) Mr Liew Siow Gian Patrick is the spouse of Ms Lim Sook Lin and is deemed to be interested in the 13,000,000 shares held by Ms Lim Sook Lin.

(6) The entire 21,428,571 shares are held in the name of UOB Kay Hian Pte Ltd.

(7) By virtue of Section 4 of the Securities Futures Act (Chapter 289 of Singapore), Ong Chou Wen is deemed interested in the 21,428,571 Shares held by Medeva Venture Limited as he holds 50% of the issued and paid up share capital of Medeva Venture Limited.

(8) By virtue of Section 4 of the Securities Futures Act (Chapter 289 of Singapore), Tung Shao Yin is deemed interested in the 21,428,571 Shares held by Medeva Venture Limited as she holds 50% of the issued and paid up share capital of Medeva Venture Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of 3Cnergy Limited (the "**Company**") will be held at 3 Lorong 6 Toa Payoh, #01-01 HSR Building, Singapore 319378 on Friday, 24 April 2015 at 3.00 p.m. (the "**AGM**") for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements of the Company for the financial year ended 31 December 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$170,000/- for the financial year ending 31 December 2015 [2014: S$170,000], to be paid half yearly in arrears. **(Resolution 2)**

3. To re-elect Mr Tong Kooi Ong who is retiring pursuant to Article 99 of the Company's Articles of Association. **(Resolution 3)**

4. To re-elect Mr Eng Meng Leong who is retiring pursuant to Article 99 of the Company' Articles of Association. **(Resolution 4)**
[see Explanatory Note (i)]

5. To re-appoint Ernst & Young LLP as the Company's auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

SPECIAL BUSINESS

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

7. Authority to allot and issue shares

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

(I) (i) allot and issue shares in the capital of 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) warrants, debentures, convertible securities 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 may, in their absolute discretion, deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

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

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

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (a) above, the percentage of the total number of issued Shares (excluding treasury shares) shall be based on the Company's total number of issued Shares (excluding treasury shares) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards which are outstanding and/or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Act and the Articles of Association for the time being of the Company;

(d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the Company's next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

(Resolution 6)

[see Explanatory Note (ii)]

NOTICE OF ANNUAL GENERAL MEETING

8. **Authority to grant awards and issue shares under the HSR Performance Share Plan ("Plan")**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company to grant awards in accordance with the provisions of the HSR Performance Share Plan, and to allot and issue from time to time such number of shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the vesting of awards under the Plan, provided that the aggregate number of Shares to be allotted and issued pursuant to the Plan, when added to the new Shares issued or issuable in respect of all awards granted under the Plan and any other share-based incentive schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares of the Company on the date preceding such vesting date.

(Resolution 7)
[see Explanatory Note (iii)]

9. **Approval for Renewal of Shareholders' Mandate for Interested Party Transactions**

That:

(1) approval be and is hereby given, for the purposes of Chapter 9 of Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited ("**Chapter 9**"), for the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Addendum with the class of interested persons described in the Addendum, provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders, and are in accordance with the review procedures for such interested person transactions (the "**IPT Mandate**");

(2) the IPT 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;

(3) the audit committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the review procedures and/or to modify or implement such review procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by Singapore Exchange Securities Trading Limited from time to time; and

(4) the Board of Directors of the Company and any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this resolution.

(Resolution 8)
[see Explanatory Note (iv)]

By Order of the Board

Teo Meng Keong
Tan Siew Hua
Joint Company Secretaries

Singapore, 9 April 2015

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) In relation to Ordinary Resolution 4

Mr Eng Meng Leong will, upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. He is considered independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited.

(ii) Ordinary Resolution 6, if passed, will empower the Directors of the Company, effective until conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors of the Company may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) at the time of passing of this Resolution. For issue of Shares (including Shares to be made in pursuance of instruments made or granted pursuant to this Resolution) other than on a pro-rata basis to all shareholders shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution.

(iii) Ordinary Resolution 7, if passed, will empower the Directors to offer and grant awards, and to allot and issue new Shares pursuant to the vesting of awards under the Plan, which was approved by shareholders of the Company at the extraordinary general meeting held on 19 January 2011. The grant of awards under the HSR Performance Share Plan will be made in accordance with the provisions of the Plan. The aggregate number of new Shares which may be issued pursuant to the Plan and any other share-based incentive schemes of the Company shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares) on the date preceding the vesting date.

(iv) Ordinary Resolution 8, if passed, renews the IPT Mandate, which was given by shareholders on 30 June 2014 allowing the Company, its subsidiaries and associated companies that are entities at risk to enter into transactions with interested persons as defined in Chapter 9. The audit committee confirms that the methods or procedures for determining the IPT prices have not changed since last shareholders' approval and such methods and procedures are sufficient to ensure that the IPT will be carried out in normal commercial terms and will not be prejudicial to the interest of the Company and/or its minority shareholders.

NOTES:

1. A member entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

4. The instrument appointing a proxy, duly executed, must be deposited at the registered office of the Company at 3 Lorong 6 Toa Payoh, #01-01 HSR Building, Singapore 319378 not less than 48 hours before the time appointed for holding the AGM.

Personal data privacy:

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

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3CNERGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 197300314D)

ANNUAL GENERAL MEETING PROXY FORM

(Please refer to notes overleaf before completing this Form)

Important:
1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is sent to them at the request of their CPF Approved Nominees 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 vote should contact their CPF Approved Nominees.

*I/We ____________________

*NRIC/Passport No./Co. Registration No. ____________________

of ____________________

being a *member/members of 3Cnergy Limited (the "**Company**"), hereby appoint

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

*and/or

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

or failing him/her, the Chairman of the Annual General Meeting ("AGM"), as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf and, if necessary, to demand a poll at the AGM of the Company to be held at 3 Lorong 6 Toa Payoh, #01-01 HSR Building, Singapore 319378 on Friday, 24 April 2015 at 3.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated with a "√" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

(Please indicate you vote "For" or "Against" with a [√] within the box provided.)

No.	Resolutions	For	Against
	ORDINARY BUSINESS		
1.	To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2014 together with the Auditors' Report thereon.		
2.	To approve the payment of Directors' fees of S$170,000/- for the financial year ending 31 December 2015, to be paid half yearly in arrears.		
3.	To re-elect Mr Tong Kooi Ong as Director.		
4.	To re-elect Mr Eng Meng Leong as Director.		
5.	To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration.		
SPECIAL BUSINESS			
6.	To authorise Directors to allot and issue shares.		
7.	To authorize Directors to grant awards and issue shares under the HSR Performance Share Plan.		
8.	To approve renewal of shareholders' mandate for interested person transactions.		

Dated this ____________ day of ______________ 2015

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

____
Signature of Member(s) or Common Seal

* *Delete accordingly*

IMPORTANT: Please Read Notes for This Proxy Form.

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 not more than two proxies to attend and vote on his behalf. Such proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of a director or an officer or attorney duly authorised.

5. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 3 Lorong 6 Toa Payoh, #01-01 HSR Building, Singapore 319378 not less than 48 hours before the time set for holding the AGM. If a shareholder submits a proxy form and subsequently attends the meeting in person and votes, the appointments of the proxy should be revoked.

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 AGM, in accordance with section 179 of the Companies Act, Chapter 50 of Singapore.

GENERAL:

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

Personal data privacy:

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

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Designed and produced by
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TOPPAN VITE PTE. LTD.
(65) 6578 6522

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