Edition Ltd.

Annual Report 2014

Edition

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Corporate Profile

Edition Ltd. ("EDL" or the "Company", previously known as Oniontech Limited) is a company that operates in two principal segments, i.e. software solutions and property development.

Since the establishment of its software solution business in Korea in 2000 through the Company's subsidiary Onion Holdings Co., Ltd., the Group has successfully developed and launched a number of software solutions and content-related services for value added services in the mobile telecommunications industry. Some of the milestone products developed by the Group's dedicated technical teams over the years included Ring Back Tone ("RBT") solutions, 3G Voice Messaging System ("3G VMS"), Augmented Reality Location-Based Services ("LBS") and other smart phone applications. For its content-related services, the Group also provides Content Aggregation Services involving sourcing and compiling of news and lifestyle information for mobile internet services. With the wide range of solutions and services capabilities, the Group currently serves major mobile operators in Korea.

For the financial year ended 31 December 2014 ("FY2014"), the Group diversified its business to investments in quoted and/or unquoted securities, as well as property development. The Group has since acquired land development right in Kelantan, Malaysia for a development of mixed-use high-rise project.

As at 31 December 2014

Edition Ltd.

- Edition Development Pte. Ltd.[1] (100%)
  - Edition Global Pte. Ltd. (100%)
    - Edition MY Sdn. Bhd. (100%)
      - Edition Cemerlang Sdn. Bhd. (100%)
      - Edition Tunjong Sdn. Bhd. (100%)
- Onion Holdings Co., Ltd.[2] (100%)
  - Guangzhou Oniontech Information Technology Limited (100%)
  - Oniontech Co., Ltd.[3] (100%)
  - Guangzhou Ebrain Information Technology Co. Ltd. (37.1%)
  - T.S. Investment Corp.[4] (33.09%)

[1] Edition Land Pte. Ltd., a wholly-owned subsidiary of Edition Development Pte. Ltd. was established on 19 March 2015.

[2] Formerly known as Oniontech Co., Ltd. Subsequent to financial year end of FY2014, 23% of the ordinary shares of Onion Holdings Co., Ltd has been disposed of. Details of the transaction are set out in the Financial Report on page 93 of this Annual Report. Accordingly, Onion Holdings Co., Ltd. is currently a 77%-owned subsidiary of the Company.

[3] Formerly known as Mobion Co., Ltd.

[4] On 20 March 2015, T.S. Investment Corp. ("TSI") completed a redemption of Redeemable Convertible Preferred Stock exercise. As a result of this redemption exercise, Onion Holdings Co., Ltd's interests in TSI has increased to 36.15%. Details of the transaction are set out in the Financial Report on page 93 of this Annual Report.

CEO's Statement

FY2014 has signified an important year to the Group as we have embarked on our journey to a new territory in property development.

During FY2014, the Group has acquired a land development right for a high-rise mixed-use developmental project in Kota Bharu, Kelantan, Malaysia. The project is estimated to be completed within the next three years and presented an excellent opportunity for us to penetrate into the Malaysian property market. In our home market, the Group has been continuously looking for suitable opportunities at the right time. Despite the local market demand being affected by the various cooling measures imposed by the government, we believe that demand in the property market will remain strong in the long run taking into consideration the growing income level and natural population growth rate.

CEO's Statement

On the other hand, our software solution business in Korea continues to be adversely affected by aggressive competition in FY2014, which resulted in a lower volume of business activities as compared to financial year ended 31 December 2013 ("FY2013"). Nevertheless, coupled with the fact of stringent cost containment measures and encouraging results from other investments in quoted securities as well as associated companies, we managed to reduce the loss from FY2013 of US$2.24 million to US$0.92 million in FY2014.

On 5 February 2015, the Company has entered into agreements for disposal of 23% of the ordinary shares of Onion Holdings Co., Ltd., which has been completed. This is in line with our strategy of gradually reducing involvement in this loss-making business, and focusing more on its other core businesses comprising property development and investment in securities.

Board Appointments

On behalf of the Company, I would like to welcome Mr Lui Seng Fatt and Dr Toh See Kiat, who were both appointed to the Board as Independent Directors in FY2014. With their expertise in the real estate and commercial law sector, I am confident that the Group as a whole will benefit from their contributions.

I would also like to welcome Mr Chua Yang Hong on Board as Executive Director. Mr Chua joined us in August 2014 and has over 30 years of experience in wide ranging facets of the real estate industry. The appointment of Mr Chua will further strengthen the core management team of the Company in our new venture in the property development market.

I would like to take this opportunity to extend our appreciation to Mr Jang Jong Jung, Mr Hur Jung Young, Mr Choong Yoon Kian and Mr Cheam Heng Haw following their retirement/resignation from the Board in FY2014. Subsequent to the retirement, Mr Jang and Mr Hur remained as the Executive Directors of our principal subsidiary, Onion Holdings Co, Ltd.

Right Issue

After the end of FY2014, the Company announced a proposed 8-for-1 rights issue to raise net proceeds of up to S$46.79 million (the "Proposed Rights Issue"). We intend to utilise the net proceeds to further invest into other potential property development projects as well as explore various business opportunities which, together with the existing core business activities, may help to build a more balanced and well-diversified portfolio for the Group.

To demonstrate my support to the Proposed Rights Issue and my commitment to grow the Group, I have provided an irrevocable undertaking in favour of the Company to, amongst others, procure that B&L Group Pte. Ltd. and my spouse, Mdm Kok Lee Kuen subscribe and pay in full the pro-rata entitlements of rights shares. I believe with the Proposed Rights Issue, this will further strengthen the financial position and capital base of the Group which will help us in exploring other investments and property development projects in the future.

Together with an experienced core executive team, I am confident that the Company will have the capability to grow in this rewarding journey.

ONG BOON CHUAN
Executive Chairman and Chief Executive Officer

Review of Results

Turnover

Revenue decreased by 30% from US$2.90 million in FY2013 to US$2.02 million in FY2014 due to lower volume of business activities from the Group's operation in the software solutions segment. The property development segment has yet to contribute any revenue in FY2014.

Other Income

Other income increased by US$0.57 million or 335% from US$0.17 million in FY2013 to US$0.74 million in FY2014, mainly due to the reversal of impairment on third party receivables following full settlement of US$0.81 million and a gain on disposal of available-for-sale assets ("AFS") amounting to US$0.10 million in FY2014. The other income was partially offset by an increase in impairment losses recognised for AFS as a result of a decline in the fair value of the AFS which amounted to US$0.3 million.

Operating Expenses

Total expenses increased by 20% from US$3.98 million in FY2013 to US$4.76 million in FY2014, mainly due to an increase in employees compensation following the establishment of the property development segment in FY2014, full year impact on depreciation of the commercial building in Korea as well as increase in finance costs pursuant to full year recognition of finance costs in FY2014 in relation to acquisition of investment property in September 2013. Subcontractor fees reduced by 35% from US$1.13 million in FY2013 to US$0.74 million in FY2014, in line with the decreasing business activities in the software solutions segment. Meanwhile, professional fees has increased by 124% from US$0.28 million in FY2013 to US$0.64 million in FY2014, mainly due to various corporate exercises that were being carried out in FY2014 and expansion of the Group's core business activities into property development in Malaysia.

Net Loss

Share of results of associated companies has improved from a loss of US$0.18 million in FY2013 to a gain of US$0.78 million in FY2014, following improved financial performance from one of the associated companies, TS Investment Corp. ("TSI"). The Group registered a net loss before tax of US$1.22 million in FY2014, as compared with a net loss of US$2.68 million in FY2013.

Taxation

Tax expense of US$0.27 million incurred in FY2014 was due to write-off of deferred tax assets from the software solutions segment arising from the prolonged loss making financial performance from the said segment.

Balance Sheet and Statement of Cash Flow

Compared to 31 December 2013, the Group's cash and cash equivalent balances have increased by US$3.24 million, from US$1.30 million to US$4.54 million as at 31 December 2014, mainly due to placement of additional 215 million ordinary shares completed in July 2014. Compared to 31 December 2013, the decrease in trade and other receivables from US$1.31 million to US$0.43 million was mainly due to a decrease in sales nearing to the financial year-end.

Review of Results

Investment property reduced from US$4.43 million to US$4.15 million, mainly due to depreciation of the office building construction of which was completed in September 2013. Investment in associated companies increased by US$1.38 million in FY2014, which was mainly due to the increased valuation of investment contributed by TSI and additional investment to the associated company in FY2014. Decrease in current and non-current available-for-sale financial assets was due to liquidation of certain financial investment in order to partially finance the additional investment in the associated company. Other non-current receivables have decreased from US$0.28 million to US$0.03 million following collection of loans from external parties. As part of the Group's intended property development in Kelantan, Malaysia, this has also resulted in an increase of the land development right by US$0.74 million.

Trade and other payables increased from US$0.57 million to US$1.11 million, which was in line with higher operation running costs incurred for the new property development segment. Increase in other payables (non-current) from US$0.06 million to US$0.22 million was mainly due to collection of rental deposits for several tenants in the office premises in Korea. The decrease of US$0.68 million in borrowings in FY2014 was mainly due to repayment of the bank loan.

As a result of the above, net current assets of the Group stood at US$3.86 million as at 31 December 2014, improved by US$1.93 million as compared to the previous comparative period.

The net cash outflow from operating activities was mainly due to operating expenses incurred by the software solutions segment in Korea and the new property division established in Singapore in FY2014. Net cash outflow from investing activities was mainly due to acquisition of land development right and additional investment in TSI, associated company of the Group, which were financed through disposal of certain available-for-sales financial assets. The Group registered a positive cashflow from the financing activities, mainly contributed by proceeds from placement of ordinary shares completed in July 2014. As a result of the above, the Group's cash and cash equivalents as at the end of FY2014 was US$4.54 million.

Employees

The number of our full-time employees decreased from 42 as at 31 December 2013 to 33 as at 31 December 2014. They are not covered by any collective bargaining agreements and are not unionized. The Group has not experienced any strikes or work stoppages by our employees and we believe our relationship with our employees is good.

Debt to Equity Ratio

The Group's gearing ratio reduced from 40.01% as at 31 December 2013 to 14.93% as at 31 December 2014, predominantly due to placement of additional 215,000,000 ordinary shares completed in FY2014.

Risk Management

The Board does not have a risk management committee in place. However, the management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Any significant matters detected are reported to the Board and the Audit Committee.

Board of Directors

Ong Boon Chuan
Executive Chairman and Chief Executive Officer ("CEO")

Mr Ong was appointed to our Board on 21 July 2014, currently he serves as the Executive Chairman and CEO of the Company. Mr Ong is responsible for the overall strategic, management and business development of the Group. Mr Ong is also the Executive Chairman and CEO of TG Corporation Holdings Ltd. He has over 30 years of experience in the real estate development and construction business. In 1987, he established the first of TG Corporation Holdings Group's subsidiaries, TG Development and as its Director, he played an active role in TG Corporation Holdings Group's maiden foray into the real estate development industry in Singapore. In 1992, he expanded the TG Group with the incorporation of Thye Chuan Engineering Construction Co. Pte Ltd, the construction arm of the TG Group. Under the management and leadership of Mr Ong, the TG Group has grown substantially over the years and has become an active player within the real estate development industry in Singapore. Mr Ong graduated from Singapore Polytechnic with a Technical Diploma in Building in 1978.

Chua Yang Hong
Executive Director

Mr Chua was appointed to our Board as Executive Director on 18 August 2014. Mr Chua is responsible for business development, as well as supporting the CEO in overall strategic planning of the Group. Mr Chua has over 35 years of experience with expertise in a wide range of facets of the real estate industry from construction and development activities to successfully managing and expanding real estate operations in new markets. Mr Chua last held the appointment of deputy CEO of Sunway Berhad and was in charge of the property development projects and operations in China. Prior to that, he was also the Head of China Operation with SC Global Development Limited and held senior positions at Dragon Land Limited, a subsidiary of Keppel Land Limited, Sino Land HK and Low Keng Huat (Singapore) Ltd. Mr Chua holds a Bachelor Degree in Accountancy. He is a Fellow of the Institute of Singapore Chartered Accountants, CPA Australia and Association of Chartered Certified Accountants.

Lee Jei Hoon
Executive Director

Mr Lee is our Executive Director and joined our Group in May 2003. Presently, Mr Lee is also the Chief Financial Controller ("CFO") of Onion Holdings Co., Ltd., one of the principal subsidiaries of the Group. Prior to joining us, he was the CFO of Design House Inc. in Korea, a joint-venture publishing business between German, Italian and Korean publishers. Mr Lee was responsible for overall financial planning and management when he was with Design House Inc. From 1998 to 2000, Mr Lee was the Treasurer of NIKE Sports Co., Ltd. responsible for financing, credit management and foreign exchange control. From 1989 to 1998, Mr Lee held various positions within Hanwha Group, one of the conglomerates in Korea with businesses in the manufacturing, construction, telecommunication, financial services and leisure sectors. Mr Lee was mainly responsible for group financial management and overseas funding during his appointment with Hanwha Group. He had also worked in Hanwha Group's New York office for approximately three years. Mr Lee holds a Bachelor in Business Administration from Yonsei University in Korea and a Master of Science in Finance from University of Illinois at Urbana-Champaign in the US.

Board of Directors

Lim Yit Keong
Lead Independent Director

Mr Lim was appointed to our Board as an Independent Director on 1 July 2013 and was subsequently re-designated as Lead Independent Director on 28 February 2014. He also serves as the Chairman of the Audit Committee. He is currently a management consultant with Capital Consulting Pte Ltd. He founded Capital Consulting Pte Ltd in 2000. He has over 35 years of experience in the financial field with Global Knowledge Network Pte Ltd, KPMG, Dornier Asia Medical Systems Pte Ltd, Bena Consultancy Services, Braun AG and Wearnes Technology Pte Ltd, holding various senior financial positions. He is currently an independent director of China Kunda Technology Holdings Ltd. He is a Fellow member of the Association of Chartered Certified Accountants (United Kingdom) and a member of the Institute of Singapore Chartered Accountants.

Lui Seng Fatt
Independent Director

Mr Lui was appointed to our Board as an Independent Director on 21 July 2014 and also serves as the Chairman of the Nominating Committee. He has over 30 years of experience in real estate and related businesses. Mr Lui last held the appointment of Regional Director and Head of Investments at Jones Lang LaSalle. He was the President of the GEREG Group of companies with major strategic businesses in Infrastructure, Real Estate and Financial Services in the Asia Pacific region and America. Mr Lui was also a Senior General Manager of Keppel Land International Limited, and was one of the key founding executives of Pidemco Land Limited, now known as CapitaLand Limited. Mr Lui was appointed the Honorary Advisor to the Real Estate Developers' Association of Singapore, on Real Estate Consultancy and Valuation. He graduated from the University of Singapore with a Bachelor degree in Architecture in 1979 under a Government of Singapore Merit Scholarship, and holds a Master in Business Administration with a major in Finance from the National University of Singapore.

Dr Toh See Kiat
Independent Director

Dr Toh was appointed to our Board as an Independent Director on 19 August 2014 and also serves as the Chairman of the Remuneration Committee. Dr Toh's practice is in the areas of Banking, Competition, Corporate, Commercial Law, Intellectual Property Rights, Information Technology and E-Commerce Law. He has been engaged by a wide range of corporate / commercial clients, industry bodies, and government agencies, including the Dubai Internet City (1999), the Dubai Port Authority (2000), the Abu Dhabi Department of Economic Planning (2006) and the Abu Dhabi Information and Systems Centre (2010). Dr Toh was a Member of Parliament and also serves as Chairman of Aljunied Town Council. He was also President of the Consumers Association of Singapore and is a member of national bodies such as the National Trust Council. Dr Toh graduated with an LLB (Hons) Degree from the National University of Singapore in 1982 and was admitted as an Advocate and Solicitor in Singapore in 1983. He obtained his Master's Degree in Law from Harvard University in 1986 and in 1991, he was awarded a PhD in Law by the University of London where he did his doctoral thesis in electronic commerce. He has also been admitted as a Solicitor in England and Wales.

Key Executives

Jang Jong Jung
Chief Executive Officer
Onion Holdings Co., Ltd

Mr Jang Jong Jung is the CEO of Onion Holdings Co., Ltd., and is responsible for overall strategies and management of Onion Holdings Co., Ltd. Prior to joining us in October 2001, Mr Jang has more than 14 years of experience in managerial and executive positions with other telecommunication companies in Korea. Mr Jang holds a Bachelor of Science degree in Computer Science from Dongkook University in Korea. He is also a member of the Mobile Society of Korea.

Hur Jung Young
Chief Technological Officer ("CTO")
Onion Holdings Co., Ltd

Mr Hur Jung Young is one of the founders of our Group and is currently the CTO of Onion Holdings Co., Ltd. Mr Hur is responsible for overall technical management and new business development. Prior to setting up Onion Holdings Co. Ltd., through his capacity of holding various senior management positions with other companies, he has accumulated invaluable experience in software development and telecommunication sectors. Mr Hur holds a Bachelor of Science Degree in Mathematics from Yonsei University in Korea.

Ong Kai Hian
Executive Director
Edition Development Pte. Ltd. and Edition Global Pte. Ltd.

Mr Ong Kai Hian was appointed as Executive Director of Edition Development Pte. Ltd. and Edition Global Pte. Ltd., both are major subsidiaries of the Group under the property development segment, on 7 August 2014. He is responsible for overseeing the operations and business development of the property development segment. Mr Ong is an architect by training and was previously appointed as design architect in an award winning architectural firm in London. In Singapore, he last held the position of project architect with a local property developer. Mr Ong holds a RIBA (Part II) from the Architecture Association in London.

Ong Kai Hoe
Executive Director
Edition Development Pte. Ltd. and Edition Global Pte. Ltd.

Mr Ong Kai Hoe was appointed as Executive Director of Edition Development Pte. Ltd. and Edition Global Pte. Ltd., both are major subsidiaries of the Group under the property development segment, on 7 August 2014. He is responsible for overseeing the operations and business development of the property development segment. Mr Ong has various years of experience in property project management and project marketing through his former appointment with local property developer. Mr Ong holds a Diploma in Business Information Technology from Singapore Polytechnic.

Chin Chen Siong
Financial Controller

Mr Chin Chen Siong was appointed as Financial Controller of the Group on 20 October 2014. He is responsible for the overall financial planning and financial management of the Group. Prior to joining us, he has several years of experience in both professional accounting firm and other Singapore listed company. Mr Chin holds a Bachelor of Accountancy from Nanyang Technological University and also a Chartered Accountant (Singapore) with Institute of Singapore Chartered Accountants.

Corporate Information

BOARD OF DIRECTORS:
Ong Boon Chuan (Executive Chairman and Chief Executive Officer)
Chua Yang Hong (Executive Director)
Lee Jei Hoon (Executive Director)
Lim Yit Keong (Lead Independent Director)
Lui Seng Fatt (Independent Director)
Dr Toh See Kiat (Independent Director)

AUDIT COMMITTEE:
Lim Yit Keong (Chairman)
Lui Seng Fatt
Dr Toh See Kiat

REMUNERATION COMMITTEE:
Dr Toh See Kiat (Chairman)
Lim Yit Keong
Lui Seng Fatt

NOMINATING COMMITTEE:
Lui Seng Fatt (Chairman)
Lim Yit Keong
Dr Toh See Kiat

COMPANY SECRETARIES:
Lin Moi Heyang
Low Mei Wan

REGISTERED OFFICE:
80 Robinson Road, #02-00
Singapore 068898
Telephone: (65) 6236 3333
Facsimile: (65) 6236 4399

PRINCIPAL PLACE OF BUSINESS:
78 Gilstead Road
Singapore 309116

REGISTRATION NUMBER: 200411873E

SHARE REGISTRAR AND SHARE TRANSFER OFFICE:
Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road, #02-00
Singapore 068898

INDEPENDENT AUDITOR:
Nexia TS Public Accounting Corporation
100 Beach Road
#30-00 Shaw Tower
Singapore 189702
Director in charge: Ms Kristin Kim
Year of appointment: Since financial year ended 31 December 2014

SPONSOR:
SAC Capital Private Limited
1 Robinson Road
#21-02 AIA Tower
Singapore 048542

Corporate Governance

Edition Limited (the "Company") is committed to maintain high standards of corporate governance within the Company and its subsidiaries. The Company believes that good corporate governance is imperative to the sustained growth and long term success of the Company. It therefore continually seeks to uphold a high standard of corporate governance and looks to improve corporate transparency to safeguard the interest of its Shareholders through sound corporate policies, business practices and internal controls.

This report outlines the Company's corporate governance processes and activities in conjunction with the Singapore Exchange Securities Trading Limited's ("SGX-ST") requirement that issuers describe their corporate governance practices with specific reference to the Code of Corporate Governance 2012 (the "Code") in their annual reports.

The Company confirms that it has adhered to these principles and guidelines set out in the Code, where applicable, deviations from the Code are explained.

Principle 1: The Board's Conduct of Affairs

The Company is headed by its Board of Directors (the "Board") comprising professionals from different disciplines and entrusted with the responsibility for the overall management of the Group. The Board establishes corporate strategies of the Group, sets direction and goals for the executive team, monitors and reviews the financial performance of the Company, oversees internal controls and sets the Company's values and standards. These functions are carried out either directly or through designated Board Committees including the Audit Committee, Nominating Committee and Remuneration Committee, each of which operate within clearly defined and written terms of reference.

The Company's Articles of Association allows a board meeting to be conducted by way of telephone or video conference. The Board meets at least twice a year and ad-hoc meetings will be convened as and when deemed necessary by the Board members. The non-executive Directors also set aside time to meet without presence of Management to review the latter's performance in meeting goals and objectives. The Board and Committees meetings held during the fiscal year ended 31 December 2014 are set out under page 12. The Board had also on various occasions used written resolutions by circulation to sanction certain decisions.

The principal functions of the Board apart from its statutory responsibilities are:

1. to approve the Group's strategic plans, key operational initiatives, major investments, major divestments and funding requirements;

2. to approve the annual budget, review the performance of the business and approve the release of the half year and full year financial results and annual report;

3. to provide guidance in the overall management of the business and affairs of the Group;

4. to oversee the processes for risk management, financial reporting and compliance;

5. to review the structure and size of the Board, following receipt of recommendation from the Nominating Committee and approve the appointment of directors and company secretary;

6. to approve the recommended framework of remuneration for the Board and key executives by the Remuneration Committee; and

7. to assume the responsibility for corporate governance of the Group.

Corporate Governance

The Company has adopted internal guidelines that require the approval of the Board. The types of material transactions that require the Board's approval includes the following:

1. Approval of release of financial results to the SGX-ST;

2. Approval of annual results and accounts;

3. Declaration of interim and proposal of final dividends;

4. Approval of corporate strategy;

5. Convening of shareholders' meetings; and

6. Authorisation of major transactions.

To enable the Board to fulfill its responsibilities, the Management provides the Board with a Management report containing complete, adequate and timely information prior to the Board meetings. Where possible and where the opportunity arises, the independent directors will be invited to locations within the Group's operating businesses to enable them to obtain a better perspective and enhance their understanding of the business. The Directors are briefed by professionals either during Board meetings or at separate meetings on regulatory changes which have an important bearing on the Company and the Directors' obligations to the Company.

All new directors, upon appointment, will be briefed on the business and organisation structure of the Group as well as their duties and obligation as directors. The Directors are aware of the requirements in respect of disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information. Directors are also informed of regulatory changes initiated by or affecting the Company. The Directors will, from time to time, attend seminars and briefing sessions to enable them to keep pace with the regulatory changes, where changes to regulations and accounting standards have a material bearing on the Company. All newly appointed Directors will be provided with formal letters setting out their duties and obligations upon appointment.

Corporate Governance

The attendance of the Directors at the Board and Board Committee meetings held during the financial year ended 31 December 2014 is set out as follows:

Name of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meeting(s)							
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ong Boon Chuan [1]	3	2	–	–	–	–	–	–
Chua Yang Hong [2]	3	1	–	–	–	–	–	–
Lee Jei Hoon	3	3	–	–	–	–	–	–
Lim Yit Keong	3	3	2	2	1	1	1	1
Lui Seng Fatt [3]	3	2	2	1	1	–	1	–
Dr Toh See Kiat [4]	3	–	2	–	1	–	1	–
Jang Jong Jung [5]	3	1	–	–	1	1	–	–
Hur Jung Young [6]	3	1	–	–	–	–	–	–
Cheam Heng Haw [7]	3	2	2	2	1	1	1	1
Choong Yoon Kian [8]	3	1	2	1	1	1	1	1

Notes:
1. Mr Ong Boon Chuan was appointed as Executive Chairman and Chief Executive Officer of the Company on 21 July 2014.
2. Mr Chua Yang Hong was appointed as Executive Director of the Company on 18 August 2014.
3. Mr Lui Seng Fatt was appointed as Independent Director of the Company, Chairman of the Nominating Committee and a member of Audit Committee and Remuneration Committee on 21 July 2014.
4. Dr Toh See Kiat was appointed as Independent Director of the Company, Chairman of the Remuneration Committee and a member of Audit Committee and Nominating Committee on 19 August 2014.
5. Mr Jang Jong Jung resigned as Executive Chairman and Chief Executive Officer of the Company and as member of the Nominating Committee on 21 July 2014.
6. Mr Hur Jung Young resigned as an Executive Director and Chief Technological Officer of the Company on 21 July 2014.
7. Mr Cheam Heng Haw resigned as an Independent Director of the Company on 1 September 2014.
8. Mr Choong Yoon Kian retired as an Independent Director of the Company on 24 April 2014.

Principle 2: Board Composition and Guidance

The Board comprises six Directors, three of whom are Independent Directors. The Directors of the Company are:

Ong Boon Chuan (Executive Chairman and Chief Executive Officer)
Chua Yang Hong (Executive Director)
Lee Jei Hoon (Executive Director)
Lim Yit Keong (Lead Independent Director)
Lui Seng Fatt (Independent Director)
Dr Toh See Kiat (Independent Director)

The Board is supported by various sub-committees, namely, the Nominating Committee, Audit Committee and Remuneration Committee whose functions are described in this report.

Corporate Governance

The Board is able to exercise objective judgment independently from Management and no individual or small group of individuals dominate the decisions of the Board.

The Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board is appropriate for effective decision making. The Board is made up of Directors who are qualified and experienced in various fields including property development, construction, software solution, business administration, accountancy and law. The profile of each of the Directors is provided in this Annual Report under the heading "Board of Directors". Accordingly, the current Board comprises persons who as a group have core competencies necessary to lead and manage the Company effectively.

The independence of each Director is reviewed annually by the Nominating Committee in accordance with the Code's definition of independence. Each Director is required to complete a "Confirmation of Independence of Director" form to confirm his independence. The said form, which was drawn up based on the definitions and guidelines set forth in Guideline 2.3 in the Code and the Guidebook for Audit Committees in Singapore issued by Audit Committee Guidance Committee, requires each Director to assess whether he considers himself independent despite not having any of the relationships defined in the Code. All Independent Directors have respectively confirmed that they do not have any relationships including immediate family relationship with other directors and the 10% shareholders of the Company. The Nominating Committee has reviewed the forms completed by each Director and is satisfied that the Independent Directors of the Company are independent and further, that no individual or small group of individuals dominate the Board's decision making process.

With the Independent Directors making up half of the Board, the Nominating Committee is of the view that there is a strong and independent element on the Board. The requirement of the Code is also met for Independent Directors to make up at least half of the Board where the Chairman of the Board and the Chief Executive Officer is the same person, the Chairman is part of the Management as well as not an independent director. In addition, none of the Independent Directors have served for a continuous period of nine years or more.

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

Principle 3: Chairman and Chief Executive Officer

Mr Ong Boon Chuan is the Executive Chairman of the Board and Chief Executive Officer of the Company. The role of the Executive Chairman and Chief Executive Officer is not separate as the Board is of the view that it is in the best interest of the Company to adopt single leadership structure to ensure that the decision making process of the Company would not be unnecessarily impeded as well as to ensure that the Company is able to grasp business opportunities efficiently and promptly. Although the roles are not separated, the Audit Committee, Nominating Committee and Remuneration Committee are chaired by Independent Directors. In addition, the Board believes that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions, without any individual or group of individuals exercising any considerable concentration of power or influence. All major decisions are made in consultation with the Board as a whole.

The strong independent element on the Board is strengthened by the appointment of Mr Lim Yit Keong, the Lead Independent Director of the Company since February 2014. Mr Lim continues to avail himself to address Shareholders' concerns which cannot be resolved through the normal channels of the Executive Chairman or Financial Controller or for which such contact is inappropriate and acts as a counter-balance in the decision making process. Where warranted, the Lead Independent Director will meet the Independent Directors of the Company without the presence of Management and the other executive directors to review any matters that must be raised privately. Any feedback will be given to the Executive Chairman after such meetings.

Corporate Governance

As the Executive Chairman, Mr Ong Boon Chuan is responsible for, amongst others:

(a) Leading the Board to ensure its effectiveness on all aspects of its role, scheduling meetings of the Board and setting the Board meeting agenda in consultation with the Company's senior management;

(b) Exercising control over quality, quantity and timeliness of the flow of information between Management and the Board;

(c) Assisting in ensuring compliance with the Company's guidelines on corporate governance;

(d) Ensuring effective communication with shareholders;

(e) Encouraging constructive relations between the Board and Management as well as between Executive Directors and Non-Executive and Independent Directors; and

(f) Facilitating the effective contribution of Non-Executive and Independent Directors in particular.

Principle 4: Board Membership

Board Membership and Board Performance

To facilitate a formal and transparent process for the appointment of new Directors, the Board has formed the Nominating Committee.

The Nominating Committee comprises:

Mr Lui Seng Fatt	(Chairman)
Mr Lim Yit Keong	(Member)
Dr Toh See Kiat	(Member)

The Nominating Committee comprises three members, all of whom, including the Chairman are Independent Directors.

The Nominating Committee has written terms of reference and its role includes:

1. Making recommendations to the Board on all board appointments, including the development of a set of criteria for Director appointments;

2. Re-nominating Directors having regard to the Director's contribution to the Group and his performance at Board Meetings, for example, attendance, participation and critical assessment of issues deliberated by the Board;

3. Considering and determining on an annual basis, whether or not a Director is independent;

4. Deciding on how the Board's performance may be evaluated and propose objective performance criteria to the Board; and

5. Assessing the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board.

Corporate Governance

The process for the shortlisting, selection and appointment of all new directors is spearheaded by the Nominating Committee. If candidates identified in this process are not suitable, executive recruitment agencies may be appointed to assist in the search process. Interviews are set up with potential candidates so that the Nominating Committee is able to assess each prospective candidate before a decision is made for recommendation to the Board for final approval and adoption.

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

The Nominating Committee decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the approval of the Board, which addresses how the Board has enhanced long-term shareholders value.

Although some of the Board members have multiple board representations, the Nominating Committee is satisfied that the Directors have devoted sufficient time and attention to the Company. As time requirement of each director is subjective, the Nominating Committee has decided not to fix a maximum limit on the number of directorship a director can hold. The Board has experienced minimal competing time commitments among its members as Board meetings are planned and scheduled well in advance of the meeting dates.

Pursuant to the Articles of Association of the Company:

(a) one third of the Directors shall retire from office at every Annual General Meeting; and

(b) Directors appointed during the course of the year must submit themselves for re-election at the next AGM of the Company.

The Board had accepted the Nominating Committee's recommendation to seek approval from Shareholders at the forthcoming AGM to re-elect Mr Ong Boon Chuan, Mr Chua Yang Hong, Mr Lui Seng Fatt and Dr Toh See Kiat, who will be retiring according to Article 97 of the Articles of Association of the Company. The Nominating Committee has also recommended to the Board that Mr Lee Jei Hoon, who is due to retire pursuant to Article 91 of the Articles of Association of the Company, be re-elected at the forthcoming AGM. In reviewing the re-nomination of the Board members who are due for re-election as Directors of the Company, no member of the Board shall vote in respect of his own re-nomination.

In making the above recommendations, the Nominating Committee had considered the Directors' overall contribution and performance.

Corporate Governance

The key information of the Directors as at the date of this report is set out below:

Name of Directors	Date of initial appointment as Director/ Date of last re-election as Director	Present directorship in other listed companies / other principal commitment	Past directorship in other listed companies / other principal commitment in the preceding three (3) years
Ong Boon Chuan (Executive Chairman and Chief Executive Officer)	21 July 2014 / –	B&L Group Pte Ltd (Director) T G Development Pte. Ltd. (Director) TG Corporate Holdings (Director)	–
Chua Yang Hong (Executive Director)	18 August 2014 / –	–	–
Lee Jei Hoon (Executive Director)	16 September 2004 / 25 April 2013	–	–
Lim Yit Keong (Lead Independent Director)	1 July 2013 / 24 April 2014	China Kunda Technology Holdings Ltd (Independent Director)	R H Energy Ltd (Independent Director)
Lui Seng Fatt (Independent Director)	21 July 2014 / –	–	Ying Li International Real Estate Limited (Co-Lead Independent Director)
Dr Toh See Kiat (Independent Director)	19 August 2014 / –	Goodwins Law Corporation (Chairman and Director)	–

Principle 5: Board Performance

The Nominating Committee has conducted a formal assessment of the performance of the Board (including Board Committees) as a whole in view of the complementary and collective nature of the Directors' contributions as well as individual assessment of each director.

Principle 6: Access to Information

The Board is provided with complete and adequate information prior to Board meetings. The Company circulates copies of the Minutes of the Meetings of the Board and all Board Committees to all members of the Board to keep them informed of on-going developments within the Group. Board papers are generally sent to Directors in advance, including financial management reports, reports on performance of the Group against the budget with notes on any significant variances, papers pertaining to matters requiring the Board's decision, updates on key outstanding issues, strategic plans and developments in the Group.

The Directors have separate and independent access to the Company's senior management and the Company Secretary at all times. Should the Directors, whether as a group or individually, require independent professional advice concerning any aspect of the group's operations or undertakings in order to fulfill their roles and responsibilities as directors, such professionals (who will be selected with the approval of the Executive Chairman or the Chairman of the Committee requiring such advice) will be appointed and the expenses of such services will be borne by the Company.

Corporate Governance

The Company Secretary provides corporate secretarial support to the Board and senior management as well as ensures adherence to the Board procedures and relevant rules and regulations which are applicable to the Company. The Company Secretary attends all Board and Board Committees Meetings and is responsible for ensuring that Board procedures are followed. The appointment and removal of the Company Secretary is a matter that has to be decided by the Board as a whole.

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and mix of Remuneration

The Remuneration Committee, regulated by a set of written terms of reference, comprises three members, all of whom, including the Chairman are independent directors. The members of the Remuneration Committee are as follows:

Dr Toh See Kiat	(Chairman)
Mr Lim Yit Keong	(Member)
Mr Lui Seng Fatt	(Member)

The Remuneration Committee's roles include reviewing and recommending to the Board an appropriate and competitive framework for the remuneration for the Board and key executives of the Group and to ensure that it attracts, retains and motivates them to run the Group successfully.

The Remuneration Committee's role also includes the administration of the Company's Employee Share Option Scheme.

In setting remuneration packages, the Remuneration Committee will take into account the performance of the Group as well as the Directors and key executives aligning their interests with those of Shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. The review of remuneration packages takes into consideration the longer term interests of the Group. The review covers all aspects of remuneration including salaries, fees, allowances, bonuses, options and benefits-in-kind. The Committee's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. No Director shall participate in decisions on his own remuneration. The Remuneration Committee's role also includes the review of executive Directors and key employees' contracts during termination, to ensure that such contracts of services contain fair and reasonable termination clauses.

No independent consultant has been engaged for advising on the remuneration of all directors. However, in discharging its functions, the Remuneration Committee may obtain independent external professional advice as it deems necessary. The expenses of such advice shall be borne by the Company.

Executive Directors do not receive directors' fees but are remunerated as members of Management. The remuneration package of the Executive Directors and the key executives comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. This is designed to align remuneration with the interests of the Shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

The remuneration of the Non-Executive Directors is in the form of a fixed fee which is fixed after taking into consideration factors such as effort, time spent and responsibilities of the directors. Non-Executive Directors' fees are subject to Shareholders' approval at the Annual General Meeting.

Corporate Governance

Principle 9: Disclosure on Remuneration

Taking note of the competitive pressure in the talent market and the confidentiality attached to the remuneration matters, the Board has, on review, decided not to disclose the remuneration of the Company's Directors in nearest thousand. A breakdown showing the level and mix of each individual Director's remuneration for the year ended 31 December 2014 is disclosed in the table below.

Directors	Salary	Bonus	Directors' fees	Others	Total Remuneration
S$250,000 to S$500,000					
Mr Ong Boon Chuan[1]	63%	36%	–	1%	100%
Below S$250,000					
Mr Chua Yang Hong[2, 9]	90%	8%[9]	–	2%	100%
Mr Lee Jei Hoon[9]	93%	1%[9]	–	6%	100%
Mr Lim Yit Keong	–	–	100%	–	100%
Mr Lui Seng Fatt[3]	–	–	100%	–	100%
Dr Toh See Kiat[4]	–	–	100%	–	100%
Mr Jang Jong Jung[5]	89%	1%	–	10%	100%
Mr Hur Jung Young[6]	89%	1%	–	10%	100%
Mr Cheam Heng Haw[7]	–	–	100%	–	100%
Mr Choong Yoon Kian[8]	–	–	100%	–	100%

Notes:
1. Mr Ong Boon Chuan was appointed as Executive Chairman and Chief Executive Officer of the Company on 21 July 2014. Based on his service agreement, Mr Ong is eligible to a fixed bonus and a performance bonus. For performance bonus, if the consolidated profit before income tax of the Group ("PBT") exceeds S$2 million based on the audited financial statements, equivalent to 2% of the first S$1 million of the PBT exceeding S$2 million, S$20,000 plus 3% of the next S$1 million of the PBT, S$50,000 plus 4% of the next S$1 million of the PBT, and S$90,000 plus 5% of the PBT in excess of S$5 million. Based on the audited financial statement for FY2014, no performance bonus would be paid to Mr Ong.
2. Mr Chua Yang Hong was appointed as Executive Director of the Company on 18 August 2014.
3. Mr Lui Seng Fatt was appointed as Independent Director of the Company, Chairman of the Nominating Committee and a member of Audit Committee and Remuneration Committee on 21 July 2014.
4. Dr Toh See Kiat was appointed as Independent Director of the Company, Chairman of the Remuneration Committee and a member of Audit Committee and Nominating Committee on 19 August 2014.
5. Mr Jang Jong Jung resigned as Executive Chairman and Chief Executive Officer of the Company and as member of the Nominating Committee on 21 July 2014. Actual remuneration paid to Mr Jang in FY2014 amounted to S$221,000.
6. Mr Hur Jung Young resigned as an Executive Director and Chief Technological Officer of the Company on 21 July 2014. Actual remuneration paid to Mr Hur in FY2014 amounted to S$234,000.
7. Mr Cheam Heng Haw resigned as an Independent Director of the Company on 1 September 2014. Actual remuneration paid to Mr Cheam in FY2014 amounted to S$24,000.
8. Mr Choong Yoon Kian retired as an Independent Director of the Company on 24 April 2014. Actual remuneration paid to Mr Choong in FY2014 amounted to S$11,000.
9. Both Mr Chua Yang Hong and Mr Lee Jei Hoon are eligible to a fixed bonus.

Having considered several factors including sensitive nature of the subject, the competitive business environment the Group operates in and the highly competitive human resource environment, the Group is of the view that in order to maintain confidentiality of the remuneration matters, remuneration of the top 5 key executives will be disclosed on a band-wide manner, without further disclosing the names of these key executives, as well as breakdown of their remuneration, and aggregate of the total remuneration.

Corporate Governance

The remuneration of the key executives of the Group (who are not directors) for FY2014 is set out below:

	Number of Key Executives
Below S$250,000	5

The remuneration of the key employees (who are not Directors) of the Group is disclosed above in respect of remuneration which falls within bands of S$250,000 for that financial year.

There are no employee of the Company and its subsidiaries who are immediate family members of a director or Executive Chairman and Chief Executive Officer whose remuneration exceeded S$50,000 during the financial year ended 31 December 2014. The total remuneration paid to each Mr Ong Kai Hian and Mr Ong Kai Hoe, who are sons of Mr Ong Boon Chuan (Executive Chairman and Chief Executive Officer and Controlling Shareholder of the Company) and Madam Kok Lee Kuen (spouse of Mr Ong Boon Chuan and Controlling Shareholder of the Company) for the financial year ended 31 December 2014 does not exceed S$50,000. Mr Ong Kai Hian and Mr Ong Kai Hoe are directors of the Company's subsidiaries in Singapore and overseas.

For the financial year ended 31 December 2014, there were no termination, retirement or post-employment benefits granted to the Directors, the Chief Executive Officer and relevant key personnel other than the standard contractual notice period termination payment in lieu of service, and the benefits for the Chief Executive Officer and relevant key executives.

Where appropriate, the Remuneration Committee reviews the service contracts of the Company's executive directors and key executives. Services contracts for executive directors are renewable for a fixed appointment period of two or three years and may be terminated by not less than three or six months' notice in writing served by either party or salary in lieu of notice.

There are no contractual provisions under the present remuneration structure that allow the Company to reclaim variable incentive components of remuneration from the executive directors and key executives. However, in alignment with current regulatory standards, the variable incentives of the executive directors and key executives may be clawed back in the event of exceptional circumstances of misstatement of financial results or of misconduct resulting in financial or other losses to the Company.

The Company's compensation framework comprises fixed salary, short term and long term incentives. The Company subscribes to linking the executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating and potential of the employees. Long term incentive schemes such as employees' share option scheme and profit sharing scheme, have been put in place to motivate and reward employees and align their interests to maximise long-term Shareholder value. The Company had established the Oniontech Share Option Scheme in September 2005, administered by the Remuneration Committee. As at the date of this Report, no share options have been granted to whom are entitled to participate in the scheme.

Principle 10: Accountability

In presenting the annual financial statements and announcements of financial results to Shareholders, it is the aim of the Board to provide Shareholders with a balanced and understandable assessment of the Company's and Group's performance, position and prospects. The Board is mindful of the obligation to provide timely and fair disclosure of material information and price sensitive information. The Board is accountable to the Shareholders while the Management is accountable to the Board.

Corporate Governance

Principle 11: Risk Management and Internal Controls

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that no cost effective system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The internal controls in place will address the financial, operational, compliance and information technology risks and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss, that there are maintenance of proper accounting records, that financial information are reliable and that assets are safeguarded.

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

The Board, with the assistance of the Audit Committee and external auditors, has reviewed the adequacy and effectiveness of the Group's risk management systems and system of internal controls addressing key financial, operational, compliance and information technology risks. Based on the reviews conducted, the Board, with the concurrence of the Audit Committee, is of the opinion that the risk management systems and the system of internal controls on the financial, operational, compliance and information technology risks were adequate and effective throughout the financial year.

The Board has also received assurance from the Executive Chairman and Financial Controller that the financial records as at 31 December 2014 have been properly maintained and the financial statements for the financial year under review give a true and fair view of the Company's operations and finances and that the Company's risk management and internal control systems are effective and adequate throughout the financial year.

Principle 12: Audit Committee

The Audit Committee consists of the following directors, all of whom are Independent Directors:

Mr Lim Yit Keong	(Chairman and Lead Independent Director)
Mr Lui Seng Fatt	(Member)
Dr Toh See Kiat	(Member)

The Company is of the view that given the size of the Company and expertise rendered by the Audit Committee in the past years, the Audit Committee has sufficient financial and management expertise and experience amongst its members to discharge the Audit Committee's responsibilities.

The Audit Committee has written terms of reference. Specifically, the Audit Committee meets on a periodic basis to perform the following functions:

(a) to assist the Board in the identification and monitoring of areas of significant business risks with the help of external auditors;

(b) to review compliance with the SGX-ST's Listing Manual Section B: Rules of Catalist ("Catalist Rules") and the Code, effectiveness of financial and accounting control systems and management of exposure to financial and business risks;

(c) to review the audit plan of the external auditors of the Company;

(d) to review the Group's system of internal controls with the assistance of the external auditors;

Corporate Governance

(e) to recommend the re-appointment and removal of the external auditors and to review the level of audit fees;

(f) to review the independence of the Company's auditors on an annual basis;

(g) to review the assistance given by the Company's officers to the external auditors;

(h) to review the Group's half-yearly management reports and announcements;

(i) to review the consolidated balance sheet and profit and loss account of the Group and other financial statements and other documents accompanying the same; and

(j) to review and where appropriate, approve interested person transactions, if any.

The Audit Committee is also authorised to investigate any matter within its terms of reference. It has full access to and the cooperation from Management and the full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The executive management of the Company attends meetings of the Audit Committee on invitation.

The Audit Committee meets the external auditors at least once annually without the presence of the Company's Management. This is to review the co-operation rendered by Management to the external auditors, the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audit, internal control including internal audit matters and the independence and objectivity of the external auditors. It also examine any other aspects of the Company's affairs, as it deems necessary when such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations.

In the selection of suitable audit firms, the Audit Committee takes into account several considerations such as the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit. The selected auditing firm based in Singapore is engaged as auditors for the Company as well as Singapore-incorporated subsidiaries of the Company. The Group has appointed suitable auditing firms for its significant foreign-incorporated subsidiaries and associated Company. Accordingly, the Company is in compliance with Rules 712, 715 and 716 of the Catalist Rules.

The Audit Committee is kept abreast by the Management and the external auditors of changes to accounting standards, Catalist Rules and other regulations which could have an impact on the Group's business and financial statements.

The amount of fee paid to the external auditors for audit services for the financial year ended 31 December 2014 is S$51,000.

The Audit Committee also reviews all non-audit services provided by the external auditors to ensure that the provision of these services does not affect the independence of the auditors. For the financial year ended 31 December 2014, Nexia TS Public Accounting Corporation provided tax compliance services to the Company other than the audit services. The non-audit fee paid to Nexis TS Public Accounting Corporation amounted to S$4,000 for the financial year ended 31 December 2014. The Audit Committee is satisfied that provision of such services did not prejudice the independence and objectivity of the external auditors.

Corporate Governance

Principle 13: Internal controls

The Company has not engaged external professional firm of accountants to discharge the internal audit function as the size of the Group's operations does not at present warrant the Group to have an internal audit function. Accordingly, the review of the adequacy of internal controls is currently conducted by the Audit Committee in conjunction with the assistance of the external auditors. The Audit Committee reviews the adequacy and effectiveness of internal controls procedures, regularly, and is satisfied that the internal control function is adequate.

The Company has not put in place a Risk Management Committee. However, the Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measure to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Board and Audit Committee.

Principle 14: Shareholder Rights
Principle 15: Communication with Shareholders

The Company is mindful of its obligation to ensure a timely and adequate disclosure of information on matters of material impact on the Company are made to Shareholders of the Company, in compliance with the requirements set out in the Catalist Rules, with particular reference to the Corporate Disclosure Policy set out therein. In this respect, the Company announces its results to Shareholders on a half – yearly basis. Shareholders are kept informed of developments and information of the Group through announcements published via SGXNET and the press when necessary as well as in the annual report. Other announcements are also made on an ad-hoc basis where applicable. A copy of the Annual Report and notice of the AGM are sent to all Shareholders of the Company within the mandatory prescribed period.

Principle 16: Conduct of Shareholder Meetings

At general meetings, Shareholders of the Company are given the opportunity to air their views and ask Directors or Management questions regarding the Company. The Board (including respective Chairman of Committees), Management and external auditors will be present at these meetings to address any questions that Shareholders may have. All minutes of general meetings are available to Shareholders upon their request.

The Company's Articles of Association allow a member of the Company to appoint not more than two proxies to attend and vote at general meetings. For the time being, the Board is of the view that this is adequate to enable Shareholders to participate in general meetings of the Company and is not proposing to amend the Articles to allow votes in absentia. All Shareholders have the opportunity to participate effectively in and vote at general meetings. Separate resolutions on each distinct issue are tabled at general meetings. "Bundling" of resolutions are kept to a minimum and done only where the resolutions are interdependent as to form one significant proposal and only where there are reasons and material implication involved.

The Company may also hold media meetings on significant events.

While acknowledging that voting by poll is integral in the enhancement of corporate governance, the Company is concerned over the cost effectiveness of conducting voting by poll. The Board will adhere to the requirement of Catalist Rules where all resolutions are to be voted by poll for general meetings held on or after 1 August 2015.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividend will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors deem appropriate.

Corporate Governance

The Company is currently in its growth phase and therefore it is intended that the funds to be reserved as general working capital for the Company's business. Thus, the Company did not declare any dividend for financial year ended 31 December 2014.

WHISTLE-BLOWING POLICY

The Company has in place a Whistle-blowing Policy and arrangements by which the staff may in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters to ensure independent investigation of such matters and for appropriate follow up action, all whistle-blowing reports are sent to the Chairman of Audit Committee.

The Audit Committee oversees the administration of the Whistle-blowing Policy. Periodic reports will be submitted to the Audit Committee stating the number and the complaints received, the results of the investigations and follow-up actions.

There were no complaints received for the financial year ended 31 December 2014.

DEALINGS IN SECURITIES

The Company has adopted its own internal guide for dealings in the Company's securities by its officers. The Directors, officers and staff of the Company and the Group are not allowed to deal in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year results until after the release of the announcement, and at any time they are in possession of unpublished material price sensitive information in relation to these securities. The Directors, officers and staff of the Company and the Group are also advised not to deal in the Company's securities on short-term considerations. This is in line with the Best Practices provided under Rule 1204(19) of the Catalist Rules.

INTERESTED PERSON TRANSACTIONS

The Company monitors all its interested person transactions closely and all interested person transactions are subject to review by the Audit Committee.

The Group does not have a general shareholders mandate for interested person transactions pursuant to Rule 920 of the Listing Manual. For the financial year ended 31 December 2014, there were no interested person transactions with the aggregate value of S$100,000 and above.

MATERIAL CONTRACTS

Save for the Placement and Call Option Agreement between B&L Group Pte. Ltd. and the Company executed on 21 February 2014, which has been published by the Company via the SGXNet, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of any Director, Chief Executive Officer or controlling shareholder subsisting at the end of the financial year ended 31 December 2014.

NON-SPONSOR FEES

The non-sponsor fees paid to the Company's Sponsor, SAC Capital Private Limited for the financial year ended 31 December 2014 amounted to S$159,000.

Corporate Governance

UTILISATION OF PROCEEDS

During the financial year ended 31 December 2014, the Company has raised net proceeds of S$6,000,000 from the following:

(a) issuance of 195,000,000 placement shares at the issue price of S$0.03 per share to B&L Group Pte. Ltd., which was completed on 21 July 2014; and

(b) issuance of 15,000,000 placement shares at the issue price of S$0.03 per share to Mr Choo Uihwan, which was completed on 21 July 2014.

The details of the utilisation of the net proceeds from the above placement exercise ("Placement") are as shown below:

	Amount allocated (S$ million)	**Amount utilised (S$ million)**	**Balance (S$ million)**
Exploration of the Property Development Business	5.4	(1.2)	4.2
General working capital	0.6	(0.4)	0.2
Total	**6.0**	**(1.6)**	**4.4**

The use of net proceeds from the Placement is in accordance with the intended use as set out in the circular dated 24 June 2014.

CORPORATE SOCIAL RESPONSIBILITY

Apart from creating long term value for its stakeholders and upholding high standard of governance, the Company recognises the importance of environment sustainability and social responsibility. In January 2015, the Group contributed 750 flood relief hampers to the flood victims in Kelantan, Malaysia.

Financial Contents

Directors' Report

For the financial year ended 31 December 2014

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2014 and the balance sheet of the Company as at 31 December 2014.

Directors

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

Mr Lee Jei Hoon	
Mr Lim Yit Keong	
Mr Ong Boon Chuan	(appointed on 21 July 2014)
Mr Lui Seng Fatt	(appointed on 21 July 2014)
Mr Chua Yang Hong	(appointed on 18 August 2014)
Dr Toh See Kiat	(appointed on 19 August 2014)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2014	At 1.1.2014 or date of appointment if later	At 31.12.2014	At 1.1.2014 or date of appointment if later
Company				
(No. of ordinary shares)				
Lee Jei Hoon	816,100	816,100	–	–
Ong Boon Chuan	–	–	229,966,000	195,000,000

Directors' Report

For the financial year ended 31 December 2014

Directors' interests in shares or debentures (cont'd)

(b) According to the register of directors' shareholdings, certain director holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Edition Placement Share Option as set out below and under "Share options" on page 28 of this Annual Report.

	No. of unissued ordinary shares under option	
	At 31.12.2014	**At 1.1.2014 or date of appointment if later**
2014 Call Options		
Ong Boon Chuan	195,000,000	195,000,000

(c) By virtue of Section 7 of the Singapore Companies Act (Cap.50) (the "Act"), Mr Ong Boon Chuan is deemed to have interest in the whole of the share capital of the Company's wholly owned subsidiaries.

(d) The directors' interests in the ordinary shares of the Company as at 21 January 2015 were the same as those as at 31 December 2014.

Directors' contractual benefits

Since the end of the previous financial year, no director 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 he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Directors' Report
For the financial year ended 31 December 2014

Share options

(a) 2014 Call Options

Grant of the Call Option to subscribe for up to 210,000,000 ordinary shares (the "2014 Call Options") of the Company was approved by members of the Company at an Extraordinary General Meeting on 16 July 2014.

Under the 2014 Call Options, options to subscribe for the ordinary shares of the Company have been granted to the shareholders at an exercise price of S$0.03 per ordinary share. The options are exercisable at any time during the period commencing from 1st anniversary of the date of the 2014 Call Options agreement and ending between the 2nd to 4th anniversary of the date of the 2014 Call Options agreement. Details of the options granted to an executive director of the Company are as follows:

	No. of unissued ordinary shares of the Company under Option		
	Granted in financial year ended 31.12.2014	**Aggregate exercised since commencement to 31.12.2014**	**Aggregate outstanding as at 31.12.2014**
Name of director			
Mr Ong Boon Chuan	195,000,000	–	195,000,000

(b) Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to the 2014 Call Options outstanding at the financial year was as follows:

	No. of unissued ordinary shares as at 31.12.2014	Exercise price	Exercise period
2014 Call Options	210,000,000	S$0.03	17.07.2015 – 16.07.2018

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

Mr Lim Yit Keong (Chairman & Lead Independent Director)
Mr Lui Seng Fatt (Member)
Dr Toh See Kiat (Member)

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

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee:

- Assists the Board in the identification and monitoring of areas of significant business risks with the help of external auditors;

Directors' Report
For the financial year ended 31 December 2014

Audit committee (cont'd)

- Reviews compliance with the SGX-ST's Listing Manual Section B: Rules of Catalist ("Catalist Rules") and the Code, effectiveness of financial and accounting control systems and management of exposure to financial and business risks;
- Reviews the audit plan of the external auditor of the Company;
- Recommends the re-appointment and removal of the external auditor and to review the level of audit fees;
- Reviews the independence of the Company's auditors on an annual basis;
- Reviews the assistance given by the Company's officers to the external auditors;
- Reviews the Group's half-yearly management reports and announcements;
- Reviews the balance sheet of the Company and the consolidated financial statements of the Group and other documents accompanying the same; and
- Reviews and where appropriate, approve interested person transactions, if any.

The Audit Committee has met with the independent auditor without the presence of the Company's management at least once a year.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Ong Boon Chuan
Director

Chua Yang Hong
Director

27 March 2015

Statement by Directors

For the financial year ended 31 December 2014

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 33 to 96 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

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

On behalf of the directors

Ong Boon Chuan
Director

Chua Yang Hong
Director

27 March 2015

Independent Auditor's Report

To the Members of Edition Ltd. (f.k.a. Oniontech Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Edition Ltd (f.k.a Oniontech Limited) (the "Company") and its subsidiaries (the "Group") set out on pages 33 to 96, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2014, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (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 judgement, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditor's Report

To the Members of Edition Ltd. (f.k.a. Oniontech Limited)

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet 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 for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Director-in-charge: Kristin YS Kim
Appointed since financial year ended 31 December 2014

Singapore

27 March 2015

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2014

	Note	2014 USD'000	2013 USD'000
Revenue	5	**2,025**	2,897
Other gains and losses	6	**735**	169
Expenses:			
- Employee compensation	7	**(2,583)**	(2,118)
- Rental expense on operating lease		**(2)**	(53)
- Depreciation, amortisation and impairment charges	8	**(265)**	(74)
- Subcontractors' fees		**(736)**	(1,134)
- Professional fees	10	**(635)**	(284)
- Finance expenses	9	**(222)**	(35)
- Other expenses	10	**(313)**	(281)
Total expenses		**(4,756)**	(3,979)
Share of results of associated companies	18	**775**	(181)
Impairment loss on investments in associated companies	18	**–**	(1,586)
Loss before income tax		**(1,221)**	(2,680)
Income tax (expense) / credit	11	**(272)**	16
Net loss attributable to equity holders of the Company		**(1,493)**	(2,664)
Other comprehensive income/(losses):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gains/(losses)		**102**	(562)
Share of other comprehensive income of associated company	18	**13**	103
Currency translation differences arising from consolidation		**(485)**	66
		(370)	(393)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans		**(87)**	(5)
Other comprehensive losses, net of tax	11	**(457)**	(398)
Total comprehensive losses attributable to equity holders of the Company		**(1,950)**	(3,062)
Loss per share attributable to equity holders of the Company (USD cents per share)			
- Basic and diluted	12	**(0.59)**	(1.69)

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

Balance Sheets

As at 31 December 2014

		Group		Company	
		2014	2013	**2014**	2013
	Note	**USD'000**	USD'000	**USD'000**	USD'000
ASSETS					
Current assets					
Cash and cash equivalents	13	**4,541**	1,303	**2,746**	34
Trade and other receivables	14	**427**	1,307	**611**	–
Available-for-sale financial assets	20	**–**	367	**–**	–
		4,968	2,977	**3,357**	34
Non-current assets					
Investment properties	15	**4,151**	4,427	**–**	–
Property, plant and equipment	16	**1,860**	2,021	**5**	–
Intangible assets	17	**1**	29	**–**	–
Investments in associated companies	18	**3,440**	2,064	**–**	–
Investments in subsidiaries	19	**–**	–	**7,267**	6,927
Available-for-sale financial assets	20	**2,100**	2,358	**–**	–
Transferable club memberships	21	**66**	69	**–**	–
Other receivables	22	**33**	284	**–**	–
Land development right	23	**741**	–	**–**	–
Deferred income tax assets	24	**–**	303	**–**	–
		12,392	11,555	**7,272**	6,927
Total assets		**17,360**	14,532	**10,629**	6,961
LIABILITIES					
Current liabilities					
Trade and other payables	25	**1,113**	574	**351**	132
Borrowings	26	**–**	474	**174**	–
		1,113	1,048	**525**	132
Non-current liabilities					
Borrowings	26	**5,061**	5,263	**365**	450
Retirement benefits	27	**431**	554	**–**	–
Other payables	25	**216**	64	**–**	–
		5,708	5,881	**365**	450
Total liabilities		**6,821**	6,929	**890**	582
NET ASSETS		**10,539**	7,603	**9,739**	6,379
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	29	**17,553**	12,667	**17,553**	12,667
Treasury shares	29	**(994)**	(994)	**(994)**	(994)
Other reserves	30	**(26)**	344	**(641)**	–
Accumulated losses	31	**(5,994)**	(4,414)	**(6,179)**	(5,294)
Total equity		**10,539**	7,603	**9,739**	6,379

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2014

	← Attributable to equity holders of the Company →						
					Accumulated losses		
	Share capital	Treasury shares	Fair value reserve	Currency translation reserve	Actuarial losses	Other	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
2014							
Beginning of financial year	12,667	(994)	317	27	(33)	(4,381)	7,603
Issue of new shares (Note 29)	5,187	–	–	–	–	–	5,187
Share issue expenses (Note 29)	(301)	–	–	–	–	–	(301)
Total comprehensive income/ (losses) for the year	–	–	115	(485)	(87)	(1,493)	(1,950)
End of financial year	**17,553**	**(994)**	**432**	**(458)**	**(120)**	**(5,874)**	**10,539**
2013							
Beginning of financial year	12,667	(994)	776	(39)	(28)	(1,717)	10,665
Total comprehensive (losses)/ income for the year	–	–	(459)	66	(5)	(2,664)	(3,062)
End of financial year	**12,667**	**(994)**	**317**	**27**	**(33)**	**(4,381)**	**7,603**

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2014

	Note	2014 USD'000	2013 USD'000
Cash flows from operating activities			
Net loss		**(1,493)**	(2,664)
Adjustments for			
- Income tax	11	**272**	(16)
- Amortisation, depreciation and impairment	8	**265**	74
- Net gain on disposal of available-for-sale financial assets	6	**(96)**	(229)
- Dividend income from available-for-sale financial assets	6	**–**	(5)
- Interest income	6	**(2)**	(57)
- Interest expense	9	**222**	35
- Provision for retirement benefits	7	**206**	227
- Share of results of associated companies	18	**(775)**	181
- Impairment loss on investments in associated companies	18	**–**	1,586
- Impairment loss on available-for-sale financial assets	20	**302**	–
- Reversal of impairment loss on available-for-sale financial assets		**–**	(12)
- Reversal of impairment loss on other receivables	6	**(810)**	–
- Gain on disposal of property, plant and equipment	6	**(1)**	–
- Loss on dilution of associated company	6	**–**	146
- Gain on disposal of transferable club membership	6	**–**	(22)
- Currency translation differences		**(513)**	47
		(2,423)	(709)
Changes in working capital			
- Trade and other receivables		**1,352**	(81)
- Trade and other payables		**702**	(48)
Cash used in operations		**(369)**	(838)
Interest received		**2**	30
Net cash used in operating activities		**(367)**	(808)
Cash flows from investing activities			
Additions of intangible assets	17	**–**	(7)
Additions to property, plant and equipment, net of government grant funds		**(21)**	(2,875)
Purchases of available-for-sale financial assets	20	**(856)**	(1,091)
Additions to an associated company	18	**(684)**	–
Acquisition of land development right	23	**(741)**	–
Proceeds from disposal of available-for-sale financial assets		**1,386**	1,897
Proceeds from disposal of property, plant and equipment		**2**	–
Proceeds from disposal of transferable club membership		**–**	155
Payments for retirement benefits		**(392)**	–
Dividends received		**–**	5
Repayment of loans by staff and third parties		**574**	53
Net cash used in investing activities		**(732)**	(1,863)
Cash flows from financing activities			
Proceeds from issuance of shares		**5,187**	–
Share issuance expenses		**(301)**	–
Repayment of borrowings		**(456)**	(2,842)
Proceeds from bank borrowings		**–**	6,009
Interest paid		**(233)**	(24)
Net cash provided by financing activities		**4,197**	3,143
Net increase in cash and cash equivalents		**3,098**	472
Cash and cash equivalents			
Cash and cash equivalents at the beginning of financial year		**1,303**	801
Effects of currency translation on cash and cash equivalents		**140**	30
End of financial year	13	**4,541**	1,303

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

Notes to the Financial Statements

For the financial year ended 31 December 2014

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

1. General information

Edition Ltd (f.k.a. Oniontech Limited) (the "Company") is listed on Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST) and incorporated and domiciled in Singapore. The address of its registered office is 80 Robinson Road #02-00 Singapore 068898.

With effect from 16 July 2014, the name of the Company was changed from Oniontech Limited to Edition Ltd.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are described in Note 40 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2014

On 1 January 2014, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 112 Disclosures of Interests in Other Entities

The Group has adopted the above new FRS on 1 January 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 *Consolidated Financial Statements* and FRS 111 *Joint Arrangements*, and replaces the disclosure requirements currently found in FRS 27 (revised 2011) *Separate Financial Statements* and FRS 28 (revised 2011) *Investments in Associates and Joint Ventures.*

The Group has applied FRS 112 retrospectively in accordance with the transitional provisions (as amended subsequent to the issuance of FRS 112 in September 2011) in FRS 112 and amended for consolidation exceptions for 'investment entity' from 1 January 2014. The Group has incorporated the additional required disclosures into the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Rendering of services - software solutions

Revenue from short-term development of software solutions for mobile telecommunication is recognised when services are rendered to customers which are taken to be the point in time when the customers have accepted the service.

(b) Sale of equipment

Revenue from the sale of equipment is recognised when the Group has delivered the product to the customers, the customers have accepted the products and collectability of the related receivables is reasonably assured.

(c) Royalty income

Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreements.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

(f) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.3 Group accounting (cont'd)

(a) Subsidiaries (cont'd)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interests in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

When the group's share of the fair value of the identifiable net assets of the associated company exceeds the cost of acquisition paid by the Group, the excess is recognised in profit and loss as part of the share of profit from associated companies.

2. Significant accounting policies (cont'd)

2.3 Group accounting (cont'd)

(c) *Associated companies (cont'd)*

(ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equal the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Land and buildings*

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at cost less accumulated impairment losses. Buildings and leasehold land are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Property that is constructed or developed for the use as office premises is classified as building in property, plant and equipment.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.4 Property, plant and equipment (cont'd)

(a) Measurement (cont'd)

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.7 on borrowing costs).

(b) Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the diminishing balance method (Building: straight-line method) to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Building	30 years
Vehicles	4 years
Office equipment, furniture and fixtures	4 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains and losses".

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.5 Investment properties

Investment properties are commercial real estate properties that are held for the primary purpose of producing rental income and are not held for resale in the ordinary course of business.

Investment properties are initially recognised at cost plus direct attributable cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Building	30 years

The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.6 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.6 Intangible assets (cont'd)

(b) Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three to five years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the assets under construction. This includes those costs on borrowings acquired specifically for the asset under construction, as well as those in relation to general borrowings used to finance the assets under construction.

2.8 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Land development right

Land development right is stated at cost less accumulated impairment losses in the balance sheet. The inventory of land development rights unsold at the end of each financial year is carried forward in the balance sheet at the lower of cost and net realisable value. Land development right is presented as non-current assets, except for those to be sold or developed within 12 months after the balance sheet date which are presented as current assets.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.10 Impairment of non-financial assets (cont'd)

(a) Goodwill (cont'd)

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets
Property, plant and equipment
Land development right
Investments in subsidiaries and associated companies

Intangible assets, property, plant and equipment, land development right and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 14) and "cash and cash equivalents" (Note 13) on the balance sheet.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.11 Financial assets (cont'd)

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.11(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Financial guarantees

The Group has issued corporate guarantees to a bank for borrowings of a project for construction of office premises. These guarantees are financial guarantees as they require the Group to reimburse the banks if the other participants of the project fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.14 Borrowings

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

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.17 Leases

When the Group is the lessee - Operating leases

The Group leases certain office premises under operating leases from non-related parties. Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.17 Leases (cont'd)

When the Group is the lessor - Operating leases

The Group leases certain office premises under operating leases to non-related parties. Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Defined contribution plans

The Group operates both defined benefit and defined contribution post-employment benefit plans.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of services and compensation.

(ii) Retirement benefits

Employees and directors of the Group with more than one year of service are entitled to receive a lump-sum payment upon termination of their employment depending on their length of service and rate of pay at the time of termination, regardless of the reason for termination. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit plans. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined obligation at the balance sheet date less the fair value of the plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit cost method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rate of high-quality corporate bonds and government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are recognised directly in other comprehensive income in the period in which they occur.

Past service costs are recognised immediately in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.21 Government grants

The Group recognises government grants which are to be repaid, as liabilities. The government grants which are to be used for the acquisition of certain assets are deducted from the cost of the acquired assets and credited in profit or loss on the diminishing balance basis over the expected lives of the related assets.

Government grants contributed to compensate for specific expenses are to offset against the related expenses. Other government grant, for which the use or purpose is not specific, are recorded as gains from assets contributed and are recognised in profit or loss in current year.

2.22 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). In the financial year 2013, the functional currency was United States Dollar. With the effect from 16 July 2014, the functional currency changed from United States Dollar to Singapore Dollar as it provides a better understanding of the Company's operations. Following expansion of the Company's core activities into property development, it is expected that a significant portion of the Company's revenue will be generated in SGD. The effect of the change in Company's functional currency is accounted for prospectively.

The functional currency of the Company is the Singapore Dollars. The presentation currency of the Company and the Group is the USD as it provides a better understanding of the Group's operations, which are based in various jurisdictions with USD a currency that can better reflects Company's underlying transactions.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "Other gains and losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.22 Currency translation (cont'd)

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions, which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalent.

2.25 Club memberships

Entrance fees for transferable corporate memberships in clubs that are intended to be held for long term are stated at cost less allowance for impairment in value based on a review at the balance sheet date. An allowance for impairment is made where, in the opinion of the directors, there is a decline other than temporary in the value of the club memberships; such reduction being determined and made for each club memberships individually. Where there has been a decline other than temporary in the value of the club membership, such a decline is recognised as an expense in the period in which the decline is identified.

On disposal of club membership, the difference between disposal proceeds and carrying amount is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2014

2. Significant accounting policies (cont'd)

2.26 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or re-issued.

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

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

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

Retirement benefits

The present value of the post-employment pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenure approximating the tenure of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

The Group determines the present value of the funded obligation and the fair value of the plan assets together with the adjustments for unrecognised actuarial gains or losses and past service costs in accordance with the valuation report of an independent actuarial valuer, AON Hewitt Korea (see Note 27).

If the discount rate used differs by 1% from management's estimates, the carrying amount of retirement benefits will be an estimated USD6,000 lower/higher.

Notes to the Financial Statements

For the financial year ended 31 December 2014

3. Critical accounting estimates, assumptions and judgements (cont'd)

3.2 Critical judgements in applying the entity's accounting policies

Impairment of available-for-sale financial assets

The Group classifies quoted investment securities as available-for-sale financial assets and recognises changes in their fair value in other comprehensive income. When the fair value declines, management exercises judgement based on the observable data relating to the possible events that may have caused the decline in value to determine whether the decline in value is an impairment that should be recognised in the statement of comprehensive income.

If the fair value had been 10% less favorable than management's estimates at the balance sheet date, the carrying amounts of the assets would need to reduce by USD210,000 (2013: USD272,000).

4. Going concern assumption

As at 31 December 2014, the Group has negative operating cash flows of USD367,000 (2013: USD808,000) and incurred a net loss of USD1,493,000 (2013: USD2,664,000) for the financial year ended on that date. These conditions indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as going concerns.

Notwithstanding these conditions, the financial statements are prepared on a going concern basis as the Group has the ability to generate sufficient cash from its operation to meet its obligation as and when they fall due.

5. Revenue

	Group	
	2014	2013
	USD'000	USD'000
Rendering of services – software solutions	**1,810**	2,897
Rental income	**215**	–
	2,025	2,897

Notes to the Financial Statements

For the financial year ended 31 December 2014

6. Other gains and losses

	Group	
	2014	2013
	USD'000	USD'000
Gain on disposal of available-for-sale financial assets	**96**	229
Gain on disposal of property, plant and equipment	**1**	–
Gain on disposal of transferable club membership	**–**	22
Interest income		
- Bank deposits	**2**	24
- Staff loans	**–**	18
- Severance insurance deposits	**–**	15
	2	57
Dividend income	**–**	5
Reversal of impairment loss of other receivables	**810**	–
Impairment loss on available-for-sale financial assets	**(302)**	–
Loss on dilution of associated company	**–**	(146)
Other	**128**	2
	735	169

7. Employee compensation

	Group	
	2014	2013
	USD'000	USD'000
Salaries, wages and bonus	**2,149**	1,636
Employer's contribution to defined contribution plans	**226**	248
Retirement benefit costs on defined benefit plans (Note 27)	**206**	227
Other short-term benefits	**2**	7
	2,583	2,118

8. Depreciation, amortisation and impairment

	Group	
	2014	2013
	USD'000	USD'000
Depreciation on investment properties (Note 15)	**114**	9
Depreciation on property, plant and equipment, net of government grant (Note 16)	**108**	30
Amortisation of intangible assets (Note 17)	**5**	5
Allowance for impairment of intangible assets (Note 17)	**23**	–
Allowance for impairment of trade receivables (Note 34 (b)(ii))	**15**	30
	265	74

Notes to the Financial Statements

For the financial year ended 31 December 2014

9. Finance expenses

	Group	
	2014	2013
	USD'000	USD'000
Interest expense - bank borrowings	**222**	35

10. Professional fees and other expenses

	Group	
	2014	2013
	USD'000	USD'000
Professional fees		
Fees on audit services paid/payable to		
- Auditor of the Company	**46**	40
- Other auditor *	**33**	33
Fees on non-audit services paid/payable to		
- Auditor of the Company	**3**	6
Other	**553**	205
	635	284
Other operating expenses		
Communication	**35**	48
Entertainment	**52**	81
Currency translation loss – net	**37**	30
Repair and maintenance	**43**	31
Travelling	**26**	34
Upkeep of motor vehicles	**44**	26
Other	**76**	31
	313	281
	948	565

** Includes the network of member firms of Nexia International.*

Notes to the Financial Statements

For the financial year ended 31 December 2014

11. Income taxes

(a) Income tax expense

	Group	
	2014	2013
	USD'000	USD'000
Tax expense/(credit) attributable to results is made up of:		
- Deferred income tax expense/(credit) (Note 24)	**272**	(16)

The tax expense on Group's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2014	2013
	USD'000	USD'000
Loss before income tax	**(1,221)**	(2,680)
Share of (profit)/loss of associated companies, net of tax	**(775)**	181
Loss before income tax and share of results of associated companies	**(1,996)**	(2,499)
Tax calculated at a tax rate of 17% (2013: 17%)	**(339)**	(424)
Effects of:		
- effect of different tax rate in different countries	**(26)**	(4)
- expenses not deductible for tax purposes	**215**	540
- income not subject to tax	**-**	(144)
- other	**422**	16
	272	(16)

Notes to the Financial Statements

For the financial year ended 31 December 2014

11. Income taxes (cont'd)

(b) The tax charge/(credit) relating to each component of other comprehensive income is as follows:

	Before tax USD'000	Tax charge USD'000	After tax USD'000
Group			
2014			
Fair value gains and reclassification adjustments on available-for-sale financial assets	**135**	**(33)**	**102**
Actuarial losses	**(87)**	**–**	**(87)**
Currency translation differences arising from consolidation	**(485)**	**–**	**(485)**
Share of other comprehensive income of associated company	**13**	**–**	**13**
Other comprehensive income	**(424)**	**(33)**	**(457)**
2013			
Fair value gains and reclassification adjustments on available-for-sale financial assets	(732)	170	(562)
Actuarial losses	(5)	–	(5)
Currency translation differences arising from consolidation	66	–	66
Share of other comprehensive income of associated company	103	–	103
Other comprehensive income	(568)	170	(398)

12. Loss per share

Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2014	2013
Net loss attributable to equity holders of the Company (USD'000)	**(1,493)**	(2,664)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**253,422**	157,408
Basic loss per share (USD cents)	**(0.59)**	(1.69)

The Company has one category of dilutive potential ordinary shares: call option to the Company ordinary shares. The basic and diluted loss per share were the same as the outstanding call option are anti-dilutive.

Notes to the Financial Statements

For the financial year ended 31 December 2014

13. Cash and cash equivalents

	Group		Company	
	2014	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000
Cash at bank and on hand	**4,541**	1,303	**2,746**	34

14. Trade and other receivables

	Group		Company	
	2014	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000
Trade receivables				
- Non-related parties	**283**	746	**–**	–
Less: Allowance for impairment of trade receivables (Note 34 (b)(ii))	**(51)**	(38)	**–**	–
Trade receivables – net	**232**	708	**–**	–
Other receivables				
- Subsidiary	**–**	–	**605**	–
- Non-related parties	**266**	1,671	**–**	–
Less: Allowance for impairment of other receivables (Note 34 (b)(ii))	**(86)**	(1,141)	**–**	–
Other receivables – net	**180**	530	**605**	–
Prepayments	**15**	42	**–**	–
Accrued interest receivable	**–**	27	**6**	–
	427	1,307	**611**	–

The amount due from subsidiary is unsecured, bearing interest at 6% per annum and is repayable on demand.

Notes to the Financial Statements

For the financial year ended 31 December 2014

15. Investment properties

	Group	
	2014	2013
	USD'000	USD'000
Beginning of financial year	**4,436**	–
Currency translation differences	**(167)**	–
Transfer from property, plant and equipment (Note 16)	**–**	4,436
End of financial year	**4,269**	4,436
Accumulated depreciation		
Beginning of financial year	**9**	–
Currency translation differences	**(5)**	–
Charge for the year (Note 8)	**114**	9
End of financial year	**118**	9
Net book value		
End of financial year	**4,151**	4,427

Investment properties are mortgaged to secure bank borrowings (Note 26).

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	**Description/existing use**	**Tenure**
PDCC Building C-Dong 3F & 4F, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea,463-400	Office building	Freehold

The fair value of the investment properties at balance sheet date is estimated by management with reference to valuation done by independent professional valuer in the current period.

The following amounts are recognised in profit and loss:

	Group	
	2014	2013
	USD'000	USD'000
Rental income (Note 5)	**215**	–

Notes to the Financial Statements

For the financial year ended 31 December 2014

15. Investment properties (cont'd)

Fair value hierarchy

Description	Fair value measurements at 31 December 2014 using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	USD'000	USD'000	USD'000
Recurring fair value measurements			
Investment properties:			
- Office building - Korea	–	6,013	–

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre.

Valuation processes of the Group

The bank has engaged external, independent and qualified valuers to determine the fair value of the Group's property for the application of mortgage loan purposes. As at 31 December 2014, the fair values of the properties have been determined by Daeil Appraisal Board Korea.

Notes to the Financial Statements

For the financial year ended 31 December 2014

16. Property, plant and equipment

	Freehold land USD'000	Building USD'000	Vehicles USD'000	Office equipment, furniture and fixtures USD'000	Total USD'000
Group					
2014					
Cost					
Beginning of financial year	455	1,469	47	1,344	3,315
Currency translation differences	(17)	(56)	(2)	(38)	(113)
Additions	–	–	–	21	21
Disposal	–	–	–	(1)	(1)
End of financial year	438	1,413	45	1,326	3,222
Accumulated depreciation					
Beginning of financial year	–	4	47	1,243	1,294
Currency translation differences	–	(2)	(9)	(29)	(40)
Depreciation charge (Note 8)	–	49	4	55	108
End of financial year	–	51	42	1,269	1,362
Net book value					
End of financial year	**438**	**1,362**	**3**	**57**	**1,860**

Government grant amortised during the financial year amounting to USD30,000 (2013: USD36,000) was offset against depreciation expenses of office equipment, furniture and fixtures.

Land, building and investment property with carrying amount of USD5,951,000 (2013: USD6,347,000) have been pledged as collateral in relation to long-term borrowings (Note 26).

Notes to the Financial Statements

For the financial year ended 31 December 2014

16. Property, plant and equipment (cont'd)

	Freehold land	Building	Vehicles	Office equipment, furniture and fixtures	Asset under construction	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Group						
2013						
Cost						
Beginning of financial year	1,640	–	35	1,226	1,883	4,784
Currency translation differences	24	–	1	28	28	81
Additions	–	–	11	90	2,785	2,886
Transfer to building	–	1,469	–	–	(1,469)	–
Transfer to investment properties (Note 15)	(1,209)	–	–	–	(3,227)	(4,436)
End of financial year	455	1,469	47	1,344	–	3,315
Accumulated depreciation						
Beginning of financial year	–	–	32	1,193	–	1,225
Currency translation differences	–	–	12	27	–	39
Depreciation charge (Note 8)	–	4	3	23	–	30
End of financial year	–	4	47	1,243	–	1,294
Net book value						
End of financial year	**455**	**1,465**	**–**	**101**	**–**	**2,021**

Notes to the Financial Statements

For the financial year ended 31 December 2014

16. Property, plant and equipment (cont'd)

	Company	
	2014	2013
	USD'000	USD'000
Office equipment, furniture and fixtures		
Cost		
Beginning of financial year	–	–
Additions	5	–
Currency translation differences	–	–
End of financial year	5	–
Beginning of financial year	–	–
Depreciation charge	–	–
Currency translation differences	–	–
End of financial year	–	–
Net book value		
End of financial year	**5**	–

17. Intangible assets

	Software	Goodwill	Patent	Total
	USD'000	USD'000	USD'000	USD'000
Group				
2014				
Cost				
Beginning of financial year	249	523	53	825
Currency translation differences	(9)	–	(2)	(11)
End of financial year	240	523	51	814
Accumulated amortisation and impairment				
Beginning of financial year	249	523	24	796
Amortisation (Note 8)	–	–	5	5
Impairment (Note 8)	–	–	23	23
Currency translation differences	(9)	–	(2)	(11)
End of financial year	240	523	50	813
Net book value				
End of financial year	**–**	**–**	**1**	**1**

Notes to the Financial Statements

For the financial year ended 31 December 2014

17. Intangible assets (cont'd)

	Software USD'000	Goodwill USD'000	Patent USD'000	Total USD'000
Group				
2013				
Cost				
Beginning of financial year	246	523	46	815
Additions	–	–	7	7
Currency translation differences	3	–	–	3
End of financial year	249	523	53	825
Accumulated amortisation and impairment				
Beginning of financial year	246	523	19	788
Amortisation (Note 8)	–	–	5	5
Currency translation differences	3	–	–	3
End of financial year	249	523	24	796
Net book value				
End of financial year	**–**	**–**	**29**	**29**

Goodwill

	Group 2014 USD'000	Group 2013 USD'000
Cost:		
- Goodwill on acquisition of Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd)	**523**	523
Accumulated impairment:		
- Goodwill on acquisition of Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd)	**(523)**	(523)
Carrying value	**–**	–

<u>Goodwill on acquisition of the subsidiary - Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd) ("Mobion")</u>

The goodwill which relates to Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd) mobile gaming business was fully impaired as Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd) has discontinued its gaming business during the financial year 2006.

Notes to the Financial Statements

For the financial year ended 31 December 2014

18. Investments in associated companies

	Group	
	2014	2013
	USD'000	USD'000
Beginning of financial year	**2,064**	3,883
Loss on dilution of associated company	**–**	(146)
Additions	**684**	–
Share of profits/(losses)	**775**	(181)
Share of movement in fair value reserve (Note 30 (b)(i))	**13**	103
Impairment loss	**–**	(1,586)
Currency translation differences	**(96)**	(9)
End of financial year	**3,440**	2,064

Details of the associated companies are set out in Note 40.

The Group's material investments in associated companies are summarised below:

	Group	
	2014	2013
	USD'000	USD'000
T.S. Investment Corp	**3,440**	2,064

The Group has not recognised losses relating to another associated company, Guangzhou Ebrain Information Technology Co. Ltd. where its share of losses exceeds the Group's interest in this associated company. The Group's cumulative share of unrecognised losses with respect to that associated company was USD8,000 (2013: USD4,000), of which USD4,000 (2013: USD4,000) was the share of the current year's losses. The Group has no obligation in respect of these losses.

Notes to the Financial Statements

For the financial year ended 31 December 2014

18. Investments in associated companies (cont'd)

The summarised financial information in respect of T.S. Investment Corp, based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	T.S. Investment Corp.	
	As at 31 December	
	2014	2013
	USD'000	USD'000
Current assets	**7,401**	1,745
Non-current assets	**3,741**	7,675
Total assets	**11,142**	9,420
Current liabilities	**(123)**	(58)
Non-current liabilities	**(28)**	(394)
Total liabilities	**(151)**	(452)
Net assets	**10,991**	8,968
Proportion of the Group's ownership	**33.09%**	25.32%
Group's share of net assets	**3,637**	2,271
Other adjustments	**(197)**	(207)
Carrying amount of the investment	**3,440**	2,064
Add:		
Carrying amount of immaterial associated company	**–**	–
Carrying amount of Group's interest in associated companies	**3,440**	2,064

Summarised statement of comprehensive income

	T.S. Investment Corp.	
	As at 31 December	
	2014	2013
	USD'000	USD'000
Revenue	**2,372**	1,252
Profit/(loss) after tax	**2,356**	(258)
Other comprehensive income	**36**	407
Total comprehensive income	**2,392**	149

Notes to the Financial Statements

For the financial year ended 31 December 2014

19. Investments in subsidiaries

	Company	
	2014	2013
	USD'000	USD'000
Equity investments at cost		
Beginning of financial year	**6,927**	6,927
Incorporation of a subsidiary	**340**	–
End of financial year	**7,267**	6,927

Details of the subsidiaries are set out in Note 40.

20. Available-for-sale financial assets

	Group	
	2014	2013
	USD'000	USD'000
Beginning of financial year	**2,725**	3,965
Currency translation differences	**(24)**	298
Additions	**856**	1,091
Disposals	**(1,290)**	(1,897)
Impairment losses (Note 6)	**(302)**	–
Fair value gains/(losses) recognised in other comprehensive income	**135**	(732)
End of financial year	**2,100**	2,725
Less: Current portion	**–**	(367)
Non-current portion	**2,100**	2,358

During the financial year, the Group recognised an impairment loss of USD302,000 (2013: Nil) against an unlisted equity security in Korea whose net assets had been below cost for a prolonged period.

Available-for-sale financial assets are analysed as follows:

	Group	
	2014	2013
	USD'000	USD'000
Listed securities		
- equity securities – Korea	**1,920**	2,239
Unlisted securities		
- equity securities – Korea	**180**	486
Total	**2,100**	2,725

The unquoted equity securities was measured at cost less impairment losses as the investment does not have a quoted market price in an active market and other methods of determining fair value do not result in a reasonable estimate.

Notes to the Financial Statements

For the financial year ended 31 December 2014

21. Transferable club memberships

	Group	
	2014	2013
	USD'000	USD'000
Club memberships – at cost	**220**	332
Less : Accumulated impairment loss	**(151)**	(151)
Disposal of club membership	**–**	(133)
Currency translation differences	**(3)**	21
	66	69

22. Other receivables – non-current

	Group	
	2014	2013
	USD'000	USD'000
Staff loans (Note a)	**16**	190
Deposits (Note b)	**17**	94
	33	284

(a) Staff loans

	Group	
	2014	2013
	USD'000	USD'000
Between two and five years	**16**	190

Loans are made under an approved staff loan scheme. The staff loans are unsecured, bearing interest at 3% (2013: 3%) per annum and are repayable between two and five years.

At the balance sheet date, the fair values of the staff loans, denominated in Korean Won, approximate their carrying amounts. The fair values are within Level 3 of the fair values hierarchy.

(b) Deposits

	Group	
	2014	2013
	USD'000	USD'000
Guarantee deposits for leased office	**–**	47
Other guarantee deposits	**17**	47
	17	94

At the balance sheet date, the fair values of the deposits, denominated in Korean Won, approximate their carrying amounts. The fair values are within Level 3 of the fair values hierarchy.

Notes to the Financial Statements

For the financial year ended 31 December 2014

23. Land development right

	Group	
	2014	2013
	USD'000	USD'000
Beginning of financial year	**–**	–
Additions	**741**	–
End of financial year	**741**	–

On 27 October 2014, the Group acquired the land development rights of a piece of vacant land from an unrelated and independent third party measuring 1.3 acres located at Kota Bharu, Kelantan, Malaysia.

24. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	2014	2013
	USD'000	USD'000
Deferred income tax assets		
- to be recovered within one year	**–**	245
- to be settled after one year	**–**	58
	–	303

Movement in the deferred income tax account is as follows:

	Group	
	2014	2013
	USD'000	USD'000
Beginning of financial year	**303**	114
Currency translation differences	**2**	3
Tax (charged)/credited to		
- profit or loss (Note 11)	**(272)**	16
- equity (Note 30)	**(33)**	170
End of financial year	**–**	303

Notes to the Financial Statements

For the financial year ended 31 December 2014

24. Deferred income taxes (cont'd)

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Severance insurance deposit USD'000	Other USD'000	Total USD'000
2014			
Beginning of financial year	**125**	**10**	**135**
Currency translation differences	**(5)**	**–**	**(5)**
Charged to profit or loss	**(3)**	**8**	**5**
End of financial year	**117**	**18**	**135**
2013			
Beginning of financial year	113	4	117
Currency translation differences	2	–	2
Charged to profit or loss	10	6	16
End of financial year	125	10	135

Deferred income tax assets

	Accrued severance benefits USD'000	Unrealised losses of investments USD'000	Other USD'000	Total USD'000
2014				
Beginning of financial year	**266**	**(75)**	**247**	**438**
Currency translation differences	**(9)**	**5**	**1**	**(3)**
Charged to profit or loss	**(19)**	**–**	**(248)**	**(267)**
Charged to equity	**–**	**(33)**	**–**	**(33)**
End of financial year	**238**	**(103)**	**–**	**135**
2013				
Beginning of financial year	217	(233)	247	231
Currency translation differences	3	(4)	6	5
Credited to profit or loss	38	–	(6)	32
Charged to equity	8	162	–	170
End of financial year	266	(75)	247	438

As at 31 December 2014, no deferred tax has been recognised for withholding taxes that would be payable on unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the Korea as the Group is in a position to control the timing of the remittance of earning and it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. Currently, the subsidiaries in Korea are in accumulated losses position.

Notes to the Financial Statements

For the financial year ended 31 December 2014

25. Trade and other payables

	Group		Company	
	2014	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000
Current				
Trade payables to non-related parties	**252**	89	**–**	–
Accrued operating expenses	**90**	158	**–**	–
Other payables:				
- non-related parties	**771**	327	**278**	132
- other related parties	**–**	–	**63**	–
- subsidiary	**–**	–	**10**	–
	1,113	574	**351**	132
Non-current				
Rental deposits	**216**	64	**–**	–
Total trade and other payables	**1,329**	638	**351**	132

The amount due to other related parties and subsidiary are unsecured, interest-free and repayable on demand.

At the balance sheet date, the fair values of the rental deposits – non-current, denominated in Korean Won, approximate their carrying amounts.

26. Borrowings

	Group		Company	
	2014	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000
Current				
Bank borrowings	**–**	474	**–**	–
Loan from subsidiary	**–**	–	**174**	–
	–	474	**174**	–
Non-current				
Bank borrowings	**5,061**	5,263	**–**	–
Loan from subsidiary	**–**	–	**365**	450
	5,061	5,263	**365**	450
Total borrowings	**5,061**	5,737	**539**	450

The loan from subsidiary is unsecured, bears interest rate of 4% and repayable between one to two years.

Notes to the Financial Statements

For the financial year ended 31 December 2014

26. Borrowings (cont'd)

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date is follows:

	Group		Company	
	2014	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000
6 months or less	**–**	237	**–**	–
6 - 12 months	**–**	237	**174**	–
1 - 5 years	**5,061**	5,263	**365**	450
	5,061	5,737	**539**	450

(a) Security granted

Bank borrowings of the Group are secured by land, building and investment property with a carrying amount of USD5,951,000 (2013: USD6,347,000) (Note 15 and 16) and corporate guarantee from a subsidiary of the Company.

(b) Fair value of non-current borrowings

At balance sheet date, the fair values of the Group's borrowings, denominated in Korean Won, approximate their carrying amounts.

The fair values are determined from the cash flow analyses, discounted at market borrowing rate of an equivalent instrument of 4.14% (2013: 4.14%) per annum at the balance sheet date which the directors expect to be available to the Group.

The fair values are within level 2 of the fair values hierarchy.

27. Retirement benefits

	Group	
	2014	2013
	USD'000	USD'000
Balance sheet obligations for:		
Retirement benefits	**431**	554
Profit or loss charged for:		
Retirement benefits (Note 7)	**206**	227

The amounts recognised in the balance sheet are determined as follows:

	Group	
	2014	2013
	USD'000	USD'000
Present value of funded obligations	**966**	1,123
Fair value of plan assets	**(535)**	(569)
	431	554

Notes to the Financial Statements

For the financial year ended 31 December 2014

27. Retirement benefits (cont'd)

The movement in the defined benefit obligation is as follows:

	Present value of obligation USD'000	Fair value of plan assets USD'000	Total USD'000
At 1 January 2014	1,123	(569)	**554**
Current service cost	188	–	**188**
Interest cost	43	(25)	**18**
	231	(25)	**206**
Remeasurements:			
Return on plan assets, excluding amounts included in interest income	–	11	**11**
Gain from change in financial assumption	83	–	**83**
Experience losses	(7)	–	**(7)**
	76	11	**87**
Exchange differences	(47)	23	**(24)**
Contributions:			
- Employers	(384)	(8)	**(392)**
Payments from plans:			
- Benefit payments	(33)	33	**–**
At 31 December 2014	**966**	**(535)**	**431**
At 1 January 2013	945	(513)	**432**
Current service cost	141	–	**141**
Interest cost	30	(17)	**13**
Past service cost and gains and losses on settlements	72	–	**72**
	243	(17)	**226**
Remeasurements:			
Return on plan assets, excluding amounts included in interest income	–	(1)	**(1)**
Gain from change in financial assumption	(21)	–	**(21)**
Experience losses	25	–	**25**
	4	(1)	**3**
Exchange differences	20	(10)	**10**
Contributions:			
- Employers	(82)	(35)	**(117)**
Payments from plans:			
- Benefit payments	(7)	7	**–**
At 31 December 2013	**1,123**	**(569)**	**554**

Notes to the Financial Statements

For the financial year ended 31 December 2014

27. Retirement benefits (cont'd)

The defined benefit obligation and plan assets are composed by country as follows:

	Group	
	2014	2013
	Korea	Korea
	USD'000	USD'000
Present value of obligation	**966**	1,123
Fair value of plan assets	**(535)**	(569)
Total	**431**	554

The significant actuarial assumptions used by AON Hewitt Korea, an independent actuarial valuer, were as follows:

	Group	
	2014	2013
	%	%
Discount rate	**2.54**	3.64
Expected return on plan assets	**3.00**	3.50
Future salary increases	**5.00**	3.50

28. Government grant

The Group entered into a contract with Korea Technology Information & Promotion Agency for SMEs("TIPA") to produce the contents for Smart Virtual experience service additionally. The contractual performance period is from 1 June 2012 to 31 May 2014. The Company received grant of USD83,000 in 2012, USD170,000 in 2013 and USD110,000 in 2014 respectively, based on the contract with TIPA as a government grant.

The Group also entered into a contract with Ministry of Knowledge Economy ('MKE") to develop the 3D montage technology. The contractual performance period is from 1 June 2012 to 31 May 2014. The Company received grant of USD79,000 in 2012, USD175,000 in 2013 and USD113,000 in 2014 respectively, based on the contract with MKE as a government grant.

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29. Share capital and treasury shares

Group and Company

	Number of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital USD'000	Treasury shares USD'000
2014				
Beginning of financial year	169,782	(12,374)	12,667	(994)
Shares issued	215,000	–	5,187	–
Share issue expenses	–	–	(301)	–
End of financial year	384,782	(12,374)	17,553	(994)
2013				
Beginning and end of financial year	169,782	(12,374)	12,667	(994)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

On 21 July 2014, the Company issued 215,000,000 ordinary shares for a total consideration of USD5,187,000 for cash to provide funds for the expansion of the Group's operations. The newly issued shares rank pari passu in all respects with the previously issued shares.

(a) Call options

On 21 July 2014, the Company issued 210,000,000 call options to its shareholders for purchase of new ordinary shares of the Company at an exercise price of S$0.03 per share. Each new ordinary share issued and fully paid will rank equally in all respects with the existing issued ordinary shares of the Company.

The call options have been classified as equity instrument as they have met the following conditions:

- There is no contractual obligation to deliver cash or any financial assets to the option holders; and

- The call options will be settled under the Company's own equity instrument, which is a derivative which includes no contractual obligation to deliver a variable number for its own equity instrument and will be settled through the exchange of a fixed amount of cash for a fixed number of the Company's equity instruments.

As both conditions have been met, the equity instrument is recognised at cost when exercised.

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30. Other reserves

	Group 2014 USD'000	Group 2013 USD'000	Company 2014 USD'000	Company 2013 USD'000
(a) Composition:				
Fair value reserve	**432**	317	**–**	–
Currency translation reserve	**(458)**	27	**(641)**	–
	(26)	344	**(641)**	–
(b) Movements:				
(i) *Fair value reserve*				
Beginning of financial year	**317**	776	**–**	–
Financial assets, available-for-sale				
- Fair value losses/(gains)	**135**	(732)	**–**	–
- Tax on fair value changes (Note 24)	**(33)**	170	**–**	–
Share of associated company's fair value gains on available-for-sale financial assets, net of tax (Note 18)	**13**	103	**–**	–
End of financial year	**432**	317	**–**	–
(ii) *Currency translation reserve*				
Beginning of financial year	**27**	(39)	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**(485)**	66	**(641)**	–
End of financial year	**(458)**	27	**(641)**	–

Other reserves are non-distributable.

31. Accumulated losses

Movement in accumulated losses of the Company is as follows:

	Company 2014 USD'000	Company 2013 USD'000
Beginning of financial year	**(5,294)**	(5,036)
Net loss	**(885)**	(258)
End of financial year	**(6,179)**	(5,294)

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32. Commitments

(a) Operating lease commitments – where the Group is a lessor

The Group leases out office building to non-related parties under non-cancellable operating leases. The lessees are required to pay either absolute fixed annual increase to the lease payments or contingent rents computed based on their sales achieved during the lease period.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group	
	2014	2013
	USD'000	USD'000
Not later than one year	**266**	199
Between one and five years	**141**	199
	407	398

33. Related party transactions

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

(a) Purchases of services

	Group	
	2014	2013
	USD'000	USD'000
Management fees paid to other related party	**31**	–

Other related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

(b) Key management personnel compensation

	Group	
	2014	2013
	USD'000	USD'000
Salaries, wages and bonus	**438**	251
Employer's contribution to defined contribution plans	**3**	13
Retirement benefit costs on defined benefit plans	**15**	98
	456	362

The above represents total compensation to all the directors of the Company.

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34. Financial risk management

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Board of Directors sets policies for managing each of these risks and they are summarised below. It is the Group's policy not to trade in derivative contracts.

(a) Market risk

(i) Currency risk

The Group operates mainly in Korea and Singapore. Entities in the Group transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar ("USD"), Singapore Dollar ("SGD") and Korean Won ("KRW"). To manage the currency risk, the Group relies on natural hedging as a risk management tool and does not enter into derivative foreign exchange contracts to hedge its foreign currency risk.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in Korea are managed primarily through inter-company borrowings denominated in the relevant foreign currency.

The Group's currency exposure based on the information provided to key management is as follows:

	USD USD'000	SGD USD'000	KRW USD'000	Other USD'000	Total USD'000
At 31 December 2014					
Financial assets					
Cash and cash equivalents	19	3,113	1,297	112	4,541
Available-for-sale financial assets	–	–	2,100	–	2,100
Trade and other receivables	–	–	445	–	445
Inter-company loans to holding company	–	432	107	–	539
	19	3,545	3,949	112	7,625
Financial liabilities					
Trade and other payables	–	(347)	(976)	(6)	(1,329)
Inter-company loans from subsidiary	–	(432)	(107)	–	(539)
Borrowings	–	–	(5,061)	–	(5,061)
Retirement benefits	–	–	(431)	–	(431)
	–	(779)	(6,575)	(6)	(7,360)
Net financial assets/(liabilities)	19	2,766	(2,626)	106	265
Less: Financial assets/(liabilities) denominated in the respective entities' functional currencies	–	(2,766)	2,626	(106)	(246)
Net currency exposure	19	–	–	–	19

Notes to the Financial Statements

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34. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	USD USD'000	SGD USD'000	KRW USD'000	Other USD'000	Total USD'000
At 31 December 2013					
Financial assets					
Cash and cash equivalents	20	14	1,263	6	1,303
Available-for-sale financial assets	–	–	2,725	–	2,725
Trade and other receivables	–	–	1,549	–	1,549
Inter-company loans from holding company	–	260	190	–	450
	20	274	5,727	6	6,027
Financial liabilities					
Trade and other payables	–	(132)	(506)	–	(638)
Inter-company loans to subsidiary	–	(260)	(190)	–	(450)
Borrowings	–	–	(5,737)	–	(5,737)
Retirement benefits	–	–	(554)	–	(554)
	–	(392)	(6,987)	–	(7,379)
Net financial assets/(liabilities)	20	(118)	(1,260)	6	(1,352)
Less: Financial assets denominated in the respective entities' functional currencies	(20)	–	1,260	–	1,240
Net currency exposure	–	(118)	–	6	(112)

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For the financial year ended 31 December 2014

34. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Company's currency exposure based on the information provided to key managements is as follows:

	USD USD'000	SGD USD'000	KRW USD'000	Total USD'000
At 31 December 2014				
Financial assets				
Cash and cash equivalents	19	2,727	–	2,746
Trade and other receivables	–	611	–	611
	19	3,338	–	3,357
Financial liabilities				
Trade and other payables	–	(351)	–	(351)
Inter-company loans	–	(432)	(107)	(539)
	–	(783)	(107)	(890)
Net financial assets/(liabilities)	19	2,555	(107)	2,467
Less: Financial assets denominated in the functional currency	–	(2,555)	–	(2,555)
Net currency exposure	19	–	(107)	(88)
At 31 December 2013				
Financial assets				
Cash and cash equivalents	20	14	–	34
Financial liabilities				
Trade and other payables	–	(132)	–	(132)
Inter-company loans	–	(260)	(190)	(450)
	–	(392)	(190)	(582)
Net financial assets/(liabilities)	20	(378)	(190)	(548)
Less: Financial assets denominated in the functional currency	(20)	–	–	(20)
Net currency exposure	–	(378)	(190)	(568)

Notes to the Financial Statements

For the financial year ended 31 December 2014

34. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

If the KRW and SGD change against the USD by 10% and 7% respectively (2013: 1% and 1%), with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	2014				2013			
	Increase/(decrease)							
	Group		Company		Group		Company	
	Loss after tax USD'000	Equity USD'000	Loss after tax USD'000	Equity USD'000	Loss after tax USD'000	Equity USD'000	Loss after tax USD'000	Equity USD'000
- strengthened	–	–	9	9	1	1	6	6
- weakened	–	–	(9)	(9)	(1)	(1)	(6)	(6)

(ii) Price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified on the consolidated balance sheet as available-for-sale financial assets. These securities are listed in Korea. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the management.

If prices for equity securities listed in Korea change by 5% (2013: 5%) with all other variables including tax rate being held constant, the effect on loss after tax and other comprehensive income ("OCI") will be:

	2014		2013	
	Increase/(decrease)			
	Loss after tax USD'000	OCI USD'000	Loss after tax USD'000	OCI USD'000
Group				
Listed in Korea				
- increased by	105	105	112	112
- decreased by	(105)	(105)	(112)	(112)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

Notes to the Financial Statements

For the financial year ended 31 December 2014

34. Financial risk management (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risks (cont'd)

The Group's policy is to maintain 80-90% of its borrowings in fixed rate instruments. The Group and the Company have no exposure to cash flow interest rate risks as all borrowings are at fixed rate.

The Group's interest rate risk mainly arises from short-term bank deposits and current and non-current borrowings. Borrowings obtained, which are mainly at fixed rates, expose the Group to fair value interest rate risk. The Group does not use derivative financial instruments to hedge its borrowings. The Group's exposure to interest rate risk is controlled and monitored on a regular basis.

The Group's and the Company's financial assets at variable rates on which effective hedges have not been entered into are denominated mainly in KRW. The possible change in the movement in the KRW interest rate with all other variables held constant assessed by management is 0.05% (2013: 0.05%). Management has assessed the impact to loss after tax as being not material.

The table below sets out the Group's exposure to interest rate risks. The financial assets and liabilities of the Group are non-interest bearing except for the bank and cash balances and borrowings as set out in the table below, categorised by the earlier of contractual repricing or maturity dates.

	Variable rates	Fixed rates			
	Less than 6 months USD'000	Less than 6 months USD'000	1 to 5 years USD'000	Non-interest bearings USD'000	Total USD'000
Group					
2014					
Assets					
Cash and cash equivalents	4,541	–	–	–	4,541
Available-for-sale financial assets	–	–	–	2,100	2,100
Trade and other receivables	–	–	–	445	445
Non-financial assets	–	–	–	10,274	10,274
	4,541	–	–	12,819	17,360
Liabilities					
Trade and other payables	–	–	–	1,329	1,329
Borrowings	–	–	5,061	–	5,061
Retirement benefits	–	–	–	431	431
	–	–	5,061	1,760	6,821

Notes to the Financial Statements

For the financial year ended 31 December 2014

34. Financial risk management (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risks (cont'd)

	Variable rates	Fixed rates			
	Less than 6 months USD'000	Less than 6 months USD'000	1 to 5 years USD'000	Non-interest bearings USD'000	Total USD'000
Group					
2013					
Assets					
Cash and cash equivalents	1,303	–	–	–	1,303
Available-for-sale financial assets	–	–	–	2,725	2,725
Trade and other receivables	–	–	–	1,549	1,549
Non-financial assets	–	–	–	8,955	8,955
	1,303	–	–	13,229	14,532
Liabilities					
Trade and other payables	–	–	–	638	638
Borrowings	–	237	5,500	–	5,737
Retirement benefits	–	–	–	554	554
	–	237	5,500	1,192	6,929

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

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

Notes to the Financial Statements

For the financial year ended 31 December 2014

34. Financial risk management (cont'd)

(b) Credit risk (cont'd)

The trade receivables of the Group comprise four debtors (2013: three debtors) that individually represented 12 – 30% of trade receivables. The concentration of credit risk with respect to amounts receivable from customers is limited because the customers making up the debtor balances are reputable in both domestic and international markets.

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2014	2013
	USD'000	USD'000
By geographical areas		
Korea	**232**	708
By types of customers		
- Non-related parties	**232**	708

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2014	2013
	USD'000	USD'000
Past due over 6 months	**121**	111

Notes to the Financial Statements

For the financial year ended 31 December 2014

34. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Financial assets that are past due and/or impaired (cont'd)

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2014	2013
	USD'000	USD'000
Gross amount	**51**	38
Less: Allowance for impairment	**(51)**	(38)
	–	–
Beginning of financial year	**38**	7
Currency translation difference	**(2)**	1
Allowance made	**15**	30
End of financial year (Note 14)	**51**	38

Additional impairment of trade receivables arise mainly from a service contracts rendered to a customer amounting to USD15,000 which has been past due since financial year 31 December 2012. The recoverability is determined to be low because the debtor is in financial difficulties and payments are not forthcoming.

The carrying amount of other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2014	2013
	USD'000	USD'000
Gross amount	**86**	1,151
Less: Allowance for impairment	**(86)**	(1,141)
	–	10
Beginning of financial year	**1,141**	1,135
Reversal of allowance	**(810)**	–
Currency translation difference	**(245)**	6
End of financial year	**86**	1,141

The reversal of allowance of impairment arise mainly due to the recovery of short-term loans made to third parties which were previously deemed unrecoverable amounting to USD810,000.

Notes to the Financial Statements

For the financial year ended 31 December 2014

34. Financial risk management (cont'd)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. Due to the dynamic nature of the underlying businesses, the Group's Board of Directors aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year USD'000	**Between 1 and 2 years USD'000**	**Between 2 and 5 years USD'000**
Group			
At 31 December 2014			
Trade and other payables	**1,113**	**216**	**–**
Borrowings	**–**	**5,365**	**–**
At 31 December 2013			
Trade and other payables	574	64	–
Borrowings	494	5,481	–
Company			
At 31 December 2014			
Trade and other payables	**351**	**–**	**–**
Borrowings	**174**	**387**	**–**
At 31 December 2013			
Trade and other payables	132	–	–
Borrowings	–	466	–

Notes to the Financial Statements

For the financial year ended 31 December 2014

34. Financial risk management (cont'd)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group's strategies, which remained unchanged from 2012, are to maintain gearing ratios within 0% to 50%.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	Group		Company	
	2014	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000
Net debt	**1,849**	5,072	**-**	548
Total equity	**10,539**	7,603	**9,739**	6,379
Total capital	**12,388**	12,675	**9,739**	6,927
Gearing ratio	**14.93%**	40.01%	**N.A.**	7.91%

N.A. – Not applicable

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2014 and 2013.

(e) Fair value measurement

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1 of the fair value hierarchy – quoted prices (unadjusted) in active markets for identical assets or liabilities.

The fair value of financial instruments that are not traded in an active market is based on significant unobservable inputs, and such instruments are classified as Level 3.

The following table presents the assets measured at fair value at 31 December:

	Level 1	**Level 3**	**Total**
	USD'000	**USD'000**	**USD'000**
Group			
Available-for-sale financial assets			
- 2014	1,920	180	2,100
- 2013	2,239	486	2,725

Notes to the Financial Statements

For the financial year ended 31 December 2014

34. Financial risk management (cont'd)

(e) Fair value measurement (cont'd)

The following table presents the changes in Level 3 instruments:

	Group	
	2014	2013
	USD'000	USD'000
Available-for-sale financial assets		
Beginning of financial year	**486**	500
Impairment	**(302)**	(28)
Currency translation differences	**(4)**	14
End of financial year	**180**	486

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed as follows:

	Group		Company	
	2014	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000
Available-for-sale financial assets	**2,100**	2,725	**–**	–
Loans and receivables	**4,986**	2,852	**3,357**	–
Financial liabilities at amortised cost	**6,821**	6,929	**890**	582

Notes to the Financial Statements

For the financial year ended 31 December 2014

35. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions, allocate resources, and assess performance. Board of Directors considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the two primary geographic areas, namely, Korea and Singapore. From a business segment perspective, management separately considers the software solution which mainly engaged in Korea, as well as property development and investment holding activities in Singapore. The results of property development and investment holding activities are included in the "all other segments" column.

The segment information provided to the Board of Directors for the reportable segments are as follows:

	Korea Software solutions USD'000	Singapore All other segments USD'000	Total USD'000
Group			
Financial year ended 31 December 2014			
Revenue			
- External party	2,025	–	2,025
Segment results	(920)	(1,076)	(1,996)
Share of results of associated companies			775
Loss before income tax			(1,221)
Net loss include:			
- Depreciation	(227)	–	(227)
- Amortisation	(23)	–	(23)
- Interest income	2	–	2
- Interest expense	(222)	–	(222)
- Income tax	(272)	–	(272)
Segment assets	13,365	3,995	17,360
Segment assets include:			
Investments in associated companies	3,440	–	3,440
Additions to:			
- Property, plant and equipment	16	5	21
- Land development right	–	741	741
Segment liabilities	6,368	453	6,821

Notes to the Financial Statements

For the financial year ended 31 December 2014

35. Segment information (cont'd)

	Korea Software solutions USD'000	Singapore All other segments USD'000	Total USD'000
Group			
Financial year ended 31 December 2013			
Revenue			
- External party	2,897	–	2,897
Segment results	(2,240)	(259)	(2,499)
Share of results of associated companies			(181)
Loss before income tax			(2,680)
Net loss include:			
- Depreciation	(39)	–	(39)
- Amortisation	(5)	–	(5)
- Interest income	57	–	57
- Interest expense	(35)	–	(35)
- Income tax	16	–	16
Segment assets	14,498	34	14,532
Segment assets include:			
Investments in associated companies	2,064	–	2,064
Additions to:			
- Property, plant and equipment	1,474	–	1,474
Segment liabilities	6,797	132	6,929

Notes to the Financial Statements

For the financial year ended 31 December 2014

35. Segment information (cont'd)

(a) Revenue from major services

Revenue from external customers are derived from mainly rendering of services and rental income as disclosed in Note 5.

(b) Geographical information

	Revenue	
	2014	2013
	USD'000	USD'000
Korea	**1,769**	2,612
Outside Korea	**256**	285
	2,025	2,897
	Non-current assets	
Korea	**11,646**	11,555

Revenue of approximately USD643,000 (2013: USD962,000) are derived from a single external customer.

36. Contingencies

Contingent liabilities - Group

A subsidiary of the Company, Onion Holdings Co., Ltd (f.k.a , Oniontech Co., Ltd) joined the Pankyo Digital Contents Consortium ("PDCC") to build an office premise. The PDCC comprises of 27 companies. The PDCC members have jointly and separately issued corporate guarantees to bank for borrowings to be drawn down for construction purposes. The construction of office premise has been completed in September 2013 and it was allocated to the participants proportionately. The borrowings relating to this building is also allocated to Onion Holdings Co., Ltd. (f.k.a Oniontech Co., Ltd) proportionately. The allocated portion of office premises was registered as the Group's investment property in December 2013.

However, the disposal of land and building is prohibited for 10 years from September 2013 in accordance with land purchase agreement with local government.

Notes to the Financial Statements

For the financial year ended 31 December 2014

37. Events occurring after balance sheet date

(i) On 5 February 2015, the Company announced that it has entered into sale and purchase agreements for the disposal of 23% of shares in the wholly-owned subsidiary, Onion Holdings Co., Ltd. Total considerations of the transaction was USD1,588,000 (equivalent to SGD2,102,000). On the same day, Onion Holdings Co. Ltd. (f.k.a. Oniontech Co., Ltd) has also acquired 198,733 shares in itself from the Company at a consideration of USD644,000 (equivalent to SGD852,000). Subsequent to the transactions, the Company continues to hold 77% of the equity interest in the subsidiary. Onion Holdings Co., Ltd. (f.k.a Oniontech Co., Ltd) will continue to be consolidated subsequent to the transactions.

It is expected that gain from disposal of subsidiary's shares arising from transactions on 5 February 2015 amount to USD221,000 (equivalent to SGD292,000) for the year ended 31 December 2015.

(ii) On 12 March 2015, the Company has proposed a renounceable non-underwritten rights issue of up to 4,699,263,600 new ordinary shares, in the capital of the Company at an issue price of SGD0.01 per share, on the basis of eight rights shares for every one share held by entitled shareholders. The above proposals are subject to the relevant approvals as highlighted in the announcement on SGX-ST dated 12 March 2015.

(iii) On 19 March 2015, the Company incorporated a new subsidiary, Edition Land Pte. Ltd. ("ELPL") through its wholly owned subsidiary, Edition Development Pte. Ltd., with an interest of 100% and an initial paid up capital of SGD100. The principal activities of ELPL are investment holding and property development.

(iv) On 20 March 2015, T. S. Investment Corp ("TSI"), an associated company of the Group, has completed a redemption of Redeemable Convertible Preferred Stock ("RCPS") exercise (the "Redemption Exercise"). Under this Redemption Exercise, amongst others, TSI has redeemed 400,000 RCPS held by Onion Holdings Co., Ltd., a 77%-owned subsidiary, for a cash consideration of KRW200,000,000 (equivalent to approximately SGD245,000). As the RCPS carries voting rights and the total number of RCPS redeemed from other shareholders of TSI was greater, Onion Holdings Co., Ltd.'s interest in TSI has increased from 33.09% to 36.15% of the issued and paid-up capital of TSI. The financial impact of the above transaction is expected to result in a loss of approximately SGD31,000.

Notes to the Financial Statements

For the financial year ended 31 December 2014

38. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2015 or later periods and which the Group has not early adopted:

- Amendments to FRS 19: Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014)
- Amendment to FRS 102: Share-based payment (effective for annual periods beginning on or after 1 July 2014)
- Amendment to FRS 103: Business Combinations (effective for annual periods beginning on or after 1 July 2014)
- Amendments to FRS 108: Operating Segments (effective for annual periods beginning on or after 1 July 2014)
- Amendment to FRS 16: Property, Plant and Equipment (effective for annual periods beginning on or after 1 July 2014)
- Amendment to FRS 24: Related Party Disclosures (effective for annual periods beginning on or after 1 July 2014)
- Amendment to FRS 38: Intangible Assets (effective for annual periods beginning on or after 1 July 2014)
- Amendments to FRS 113: Fair Value Measurement (effective for annual periods beginning on or after 1 July 2014)
- Amendment to FRS 40: Investment Property (effective for annual periods beginning on or after 1 July 2014)
- FRS 114: Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 1: Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 27: Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 105: Non-current Assets Held for Sale and Discontinued Operations (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 107: Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2016)
- Amendment to FRS 19: Employee Benefits (effective for annual periods beginning on or after 1 January 2016)
- Amendment to FRS 34: Interim Financial Reporting (effective for annual periods beginning on or after 1 January 2016)
- FRS 115: Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017)
- FRS 109: Financial Instruments (effective for annual periods beginning on or after 1 January 2018)

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

Notes to the Financial Statements

For the financial year ended 31 December 2014

39. Authorisation of financial statements

These consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Edition Ltd. on 27 March 2015.

40. Listing of significant subsidiaries and associated companies in the Group

Name	Country of incorporation/ Place of business	Proportion of ordinary shares directly held by the parent		Proportion of ordinary shares held by the Group		Principal activities
		2014 %	2013 %	**2014** %	2013 %	
Onion Holdings Co., Ltd (f.k.a. Oniontech Co., Ltd)[(1)]	Korea	**100**	100	**100**	100	Mobile telecommunication
Edition Development Pte. Ltd.[(2)]	Singapore	**100**	–	**100**	–	Investment holding and project management
Oniontech Co., Ltd (f.k.a. Mobion Co., Ltd)[(3)]	Korea	**–**	–	**100**	100	Mobile game development
Guangzhou Oniontech Information Technology Limited[(3)]	The People's Republic of China	**–**	–	**100**	100	Ring back tone and mobile game development
Edition Global Pte. Ltd.[(2)]	Singapore	**–**	–	**100**	–	Investment holding

Notes to the Financial Statements

For the financial year ended 31 December 2014

40. Listing of significant subsidiaries and associated companies in the Group (cont'd)

Name	Country of incorporation/ Place of business	Proportion of ordinary shares directly held by the parent		Proportion of ordinary shares held by the Group		Principal activities
		2014 %	2013 %	**2014** %	2013 %	
Edition MY Sdn. Bhd.(4)	Malaysia	**–**	–	**100**	–	Investment holding and project management
Edition Cemerlang Sdn. Bhd.(2)	Malaysia	**–**	–	**100**	–	Property development
Edition Tunjong Sdn. Bhd.(2)	Malaysia	**–**	–	**100**	–	Property development
Guangzhou Ebrain Information Technology Co. Ltd.(3)	The People's Republic of China	**–**	–	**37.1**	37.1	Developing English by telephone
T.S. Investment Corp.(5)	Korea	**–**	–	**33.09**	25.32	Investment holding

(1) Audited by Nexia Samduk, Korea, a member firm of Nexia International
(2) For the purpose of preparing the consolidation financial statements, these financial statements have been audited by Nexia TS Public Accounting Corporation, Singapore. Not required to be audited for local statutory purposes as the subsidiaries were newly incorporated.
(3) Not required to be audited under the laws of the country of incorporation
(4) Audited by Lau, Wong & Yeo, Malaysia
(5) Audited by Taesung Accounting Corporation, Korea

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

Statistics of Shareholdings

As at 13 March 2015

Number of shares issued excluding treasury shares	:	372,407,950
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per share
Number/Percentage of treasury shares against total number of issued shares excluding treasure shares	:	12,374,000 (3.32%)

Distribution of Shareholders by Size of Shareholdings as at 13 March 2015

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	3	0.86	44	0.00
100 – 1,000	18	5.19	18,000	0.00
1,001 – 10,000	77	22.19	480,110	0.13
10,001 – 1,000,000	231	66.57	22,365,849	6.01
1,000,001 and above	18	5.19	349,543,947	93.86
	347	100.00	372,407,950	100.00

* Shareholdings exclusive of 12,374,000 treasury shares

Register of Substantial Shareholders as at 13 March 2015

Name of Substantial Shareholders	Direct Interest No. of Shares	Direct Interest %(1)	Deemed Interest No. of Shares	Deemed Interest %(1)
Ong Boon Chuan	–	–	229,966,000(2)	61.75
Kok Lee Kuen	34,966,000	9.39	195,000,000(3)	52.36
B&L Group Pte. Ltd.	195,000,000	52.36	–	–
Jang Jong Jung	25,200,000	6.77	–	–

(1) Based on issued and paid up shares excluding treasury shares of the Company.

(2) Deemed interest by virtue of interest in shares of the Company by B&L Group Pte. Ltd. and his spouse, Kok Lee Kuen pursuant to Section 7 of the Companies Act, Cap. 50.

(3) Deemed interest by virtue of interest in shares of the Company by B&L Group Pte. Ltd. pursuant to Section 7 of the Companies Act, Cap. 50.

Statistics of Shareholdings

As at 13 March 2015

Twenty Largest Shareholders as at 13 March 2015

No.	Name	No. of Shares	%
1	B&L GROUP PTE. LTD.	195,000,000	52.36
2	MAYBANK KIM ENG SECURITIES PTE LTD	39,124,549	10.51
3	KOK LEE KUEN	34,966,000	9.39
4	CITIBANK NOMINEES SINGAPORE PTE LTD	18,627,000	5.00
5	O,W&W INVESTMENTS II LIMITED	13,636,350	3.66
6	LEONG HONG KAH	7,967,000	2.14
7	RAMESH S/O PRITAMDAS CHANDIRAMANI	7,900,000	2.12
8	DAIWA CAPITAL MARKETS SINGAPORE LTD	7,500,000	2.01
9	WON DAE RO	5,000,000	1.34
10	VISION CAPITAL PRIVATE LIMITED	4,500,000	1.21
11	OCBC SECURITIES PRIVATE LTD	3,411,048	0.92
12	PROVIDENCE INVESTMENTS PTE LTD	3,000,000	0.81
13	LAU SING @ LIEW SING HUN	2,001,000	0.54
14	HONG LEONG FINANCE NOMINEES PTE LTD	1,516,000	0.41
15	HL BANK NOMINEES (S) PTE LTD	1,500,000	0.40
16	UOB KAY HIAN PTE LTD	1,395,000	0.37
17	KHAW THEAN CHYE	1,300,000	0.35
18	WONG AH WAH @ WONG FONG FUI	1,200,000	0.32
19	TAI TAK SECURITIES PTE LTD	900,000	0.24
20	LUO FENG	867,000	0.23
	Total	**351,310,947**	**94.33**

Compliance with Rule 723 of the Catalist Rules

Based on the information available to the Company as at 13 March 2015, approximately 30.63% of the Company's issued ordinary shares excluding treasury shares was held by the public and therefore, the Company is in compliance with Rule 723 of the Catalist Rules.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of Edition Ltd. (the "Company") will be held at 78 Gilstead Road, Singapore 309116 on Monday, 27 April 2015 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

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

2. To approve the Directors' fees of S$116,000 for the financial year ending 31 December 2015, to be paid semi-annually in arrears (2014: S$108,000). **(Resolution 2)**

3. To re-elect Mr Lee Jei Hoon, a Director retiring pursuant to Article 91 of the Company's Articles of Association and who, being eligible, offers himself for re-election. **(Resolution 3)**

4. To re-elect the following Directors retiring pursuant to Article 97 of the Company's Articles of Association and who, being eligible, offers themselves for re-election:

   (i) Mr Ong Boon Chuan **(Resolution 4)**
   (ii) Mr Chua Yang Hong **(Resolution 5)**
   (iii) Mr Lui Seng Fatt **(Resolution 6)**
   (iv) Dr Toh See Kiat **(Resolution 7)**

   Mr Lui Seng Fatt, who is an Independent Director, if re-elected as Director of the Company will remain as the Chairman of Nominating Committee and a Member of the Audit and Remuneration Committees and will be 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 ("SGX-ST Catalist Rules").

   Dr Toh See Kiat, who is an Independent Director, if re-elected as Director of the Company will remain as the Chairman of Remuneration Committee and a Member of the Audit and Nominating Committees and will be considered independent for the purpose of Rule 704(7) of the SGX-ST Catalist Rules.

5. To re-appoint Messrs. Nexia TS Public Accounting Corporation, Certified Public Accountants, as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

AS SPECIAL BUSINESS

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

6. Authority to issue shares

   "That pursuant to Section 161 of the Companies Act, Chapter 50, and the SGX-ST Catalist Rules, approval be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

Notice of Annual General Meeting

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

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

provided always that

the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 100% of the Company's total number of issued shares (excluding treasury shares), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares) shall be the Company's total number of issued shares (excluding treasury shares) at the time this resolution is passed, after adjusting for:

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

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the 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 the earlier."
(see explanatory note 1) **(Resolution 9)**

7. Authority to grant options and to issue shares under the Oniontech Share Option Scheme

"That authority be and is hereby given to the Directors of the Company to offer and grant options from time to time in accordance with the provisions of the Oniontech Share Option Scheme (the "Scheme"), and, pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the Scheme, provided that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares) of the Company from time to time, as determined in accordance with the provisions of the Scheme."
(see explanatory note 2) **(Resolution 10)**

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

BY ORDER OF THE BOARD

LIN MOI HEYANG
LOW MEI WAN
Company Secretaries
10 April 2015

Notice of Annual General Meeting

Explanatory Notes:

(a) The Resolution 9 is to authorise the Directors of the Company from the date of the Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 100% of the total number of issued shares (excluding treasury shares) of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company.

For the purpose of Resolution 9, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

(b) The Resolution 10, if passed, will empower the Directors of the Company to offer and grant options under the Oniontech Share Option Scheme and to allot and issue shares pursuant to the exercise of such shares under the Scheme not exceeding 15% of the total number of issued shares (excluding treasury shares) of the Company from time to time.

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead.

2. In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

3. A proxy need not be a member of the Company.

4. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

5. The instrument appointing a proxy must be deposited at the Company either by post at 80 Robinson Road, #02-00, Singapore 068898 or either by hand at 80 Robinson Road, #11-02, Singapore 068898 not later than 48 hours before the time appointed for the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting of the Company and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting of the Company (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 shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder 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 shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

This Notice has been prepared by the Company and its contents have been reviewed by the Company's Sponsor ("Sponsor"), SAC Capital Private Limited, for compliance with the relevant rules of the Exchange. The Sponsor has not indepently verified the contents of this Notice.

This Notice has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Notice, including the correctness of any of the statments or opinions made or reports contained in this Notice.

The contact person for the Sponsor is Ms. Alicia Kwan (Telephone: 65-6532 3829) at 1 Robinson Road, #21-02, AIA Tower, Singapore 048542.

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EDITION LTD.

(Company Registration No. 200411873E)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

1. For investors who have used their CPF monies to buy shares in the capital of Edition Ltd., the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF approved Nominees.

*I/We ______________________ (Name) ______________________ (NRIC/Passport No.)

of ____ (Address),

being * a member/members of Edition Ltd. (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

*and/or

or failing *him/them, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Tenth Annual General Meeting of the Company to be held at 78 Gilstead Road, Singapore 309116 on Monday, 27 April 2015 at 10.00 a.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 Annual General Meeting as indicated with an "X" 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.

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2014 and the Directors' Report and the Auditors' Report thereon.		
2.	To approve the Directors' fees of S$116,000 for the financial year ending 31 December 2015, to be paid semi-annually in arrears (2014: S$108,000).		
3.	To re-elect Mr Lee Jei Hoon pursuant to Article 91 of the Company's Articles of Association.		
4.	To re-elect Mr Ong Boon Chuan pursuant to Article 97 of the Company's Articles of Association.		
5.	To re-elect Mr Chua Yang Hong pursuant to Article 97 of the Company's Articles of Association.		
6.	To re-elect Mr Lui Seng Fatt pursuant to Article 97 of the Company's Articles of Association.		
7.	To re-elect Dr Toh See Kiat pursuant to Article 97 of the Company's Articles of Association.		
8.	To re-appoint Messrs. Nexia TS Public Accounting Corporation, Certified Public Accountants, as Auditors of the Company and to authorise the Directors to fix their remuneration.		
9.	To authorise Directors to issue shares.		
10.	To authorise Directors to grant options and to issue shares under the Oniontech Share Option Scheme.		

Dated this __________ day of ______________ 2015

Total No. of Shares Held

____
Signature(s) of Member(s)/Common Seal

** Delete accordingly*

IMPORTANT. Please read notes overleaf

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.

2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

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

4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore .

5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the Company either by post at 80 Robinson Road, #02-00, Singapore 068898 or either by hand at 80 Robinson Road, #11-02, Singapore 068898 not later than 48 hours before the time set for the Annual General Meeting.

6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

AFFIX
STAMP

The Company Secretary

EDITION LTD.
80 Robinson Road
#02-00 Singapore 068898

Edition Ltd.
ACRA No. 200411873E

Incorporated in the Republic of Singapore
on 16 September 2004

Principal Place of Business
78 Gilstead Road
Singapore 309116

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Fax: 65 6258 1081