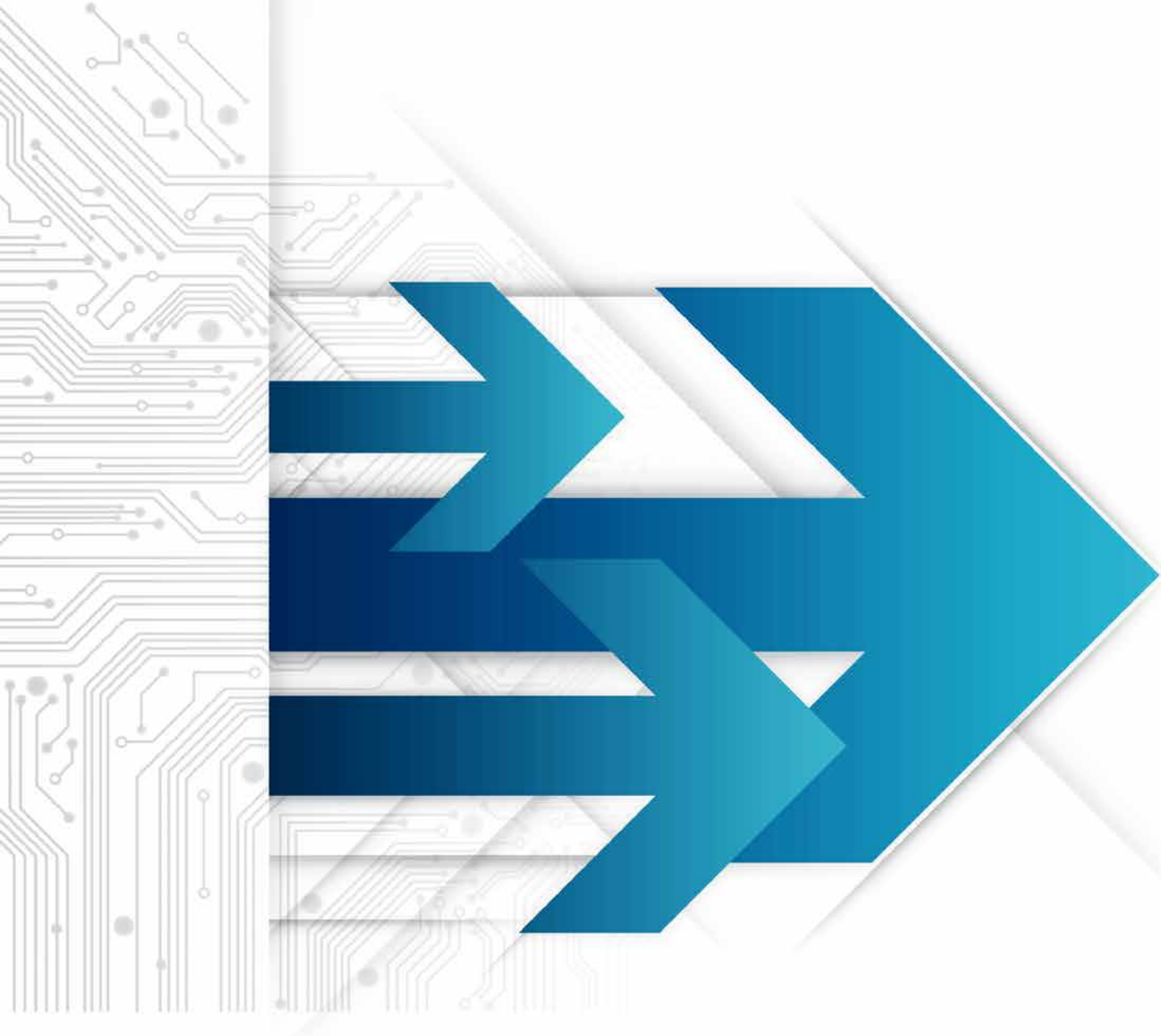
ACHIEVA
GROUP OF COMPANIES

ENVISION TRANSFORM PROGRESS

ANNUAL REPORT 2014



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ENVISION

It has been another challenging year for Achieva, with our vision and strategy being tested in the most extreme conditions imaginable. As we envision the future, assessing the challenges that lie ahead, our vision is clear that we would have to diversify into a new business.

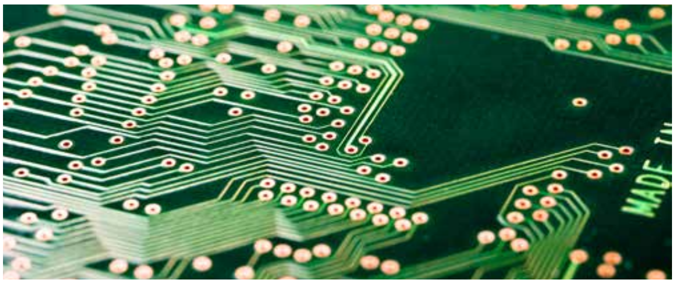
TRANSFORM

Our diversification into the marine and yachting business is not one without concrete planning and careful design. It is a strategic move that we truly believe will be beneficial in the future, enabling us to ride out difficult times better.

PROGRESS

Never one to rest on our laurels, our drive for growth does not end here. Stepping into this new market, we are brimming with renewed hope and a resilient determination to build a successful and sustainable business. We are tested and toughened, ready to take on new challenges and changes.

CORPORATE PROFILE



Singapore-based Achieva Limited ("Achieva" or "the Group") was incorporated on 3 November 1993 and listed on the Main Board of the Singapore Exchange Securities Trading Limited in June 2000.

The Group started with three main core operating subsidiaries, Achieva Technology, Achieva Components and Achieva Electronics. In 2008, the latter two subsidiaries were sold to US-based Arrow Electronics, leaving the Group with Achieva Technology today.

The Group's core competency is in the distribution and marketing of IT and computer peripherals, parts and software including data storage devices such as hard disk drives, central processing units, monitors and digital cameras. It represents top product brands such as Western Digital and Intel.

In December 2009, the SUTL Group of Companies became a majority shareholder of Achieva with a 25.29% stake (including a deemed interest of 1.79%). SUTL is involved in the marketing and distribution of lifestyle consumer goods and leisure investments and owns the ONE°15 Marina Club, lauded as Asia's finest. SUTL's expertise in marketing and distribution, which spans more than 40 years, not only complements Achieva's own strengths in these areas, but its foothold in more than 20 countries is an added boost for the Group's plans to extend its reach beyond its existing markets.

OUR MARKETING NETWORK AND OFFICES

SINGAPORE

Achieva Limited

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Achieva Technology Sdn Bhd

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CHAIRMAN AND CEO MESSAGE


Mr Lew Syn Pau


Mr Arthur Tay

Dear Shareholders,
On behalf of the Board of Directors, we present Achieva Limited's annual report for the financial year ended 31 December 2014 ("FY2014").

FY2014 was yet another challenging year due to ever increasing competition in the Information Technology ("IT") and computer peripherals industry and the continued sluggish performance of the markets that we operate in. We have, however, been able to improve the results in FY2014 over the financial year ended 31 December 2013 ("FY2013") due to tighter control of operating costs, better inventory and credit management and working with our suppliers to attain higher revenue and better margins.

Business Review

The Group recorded revenue of S$84.3 million in FY2014 which constitutes a 1.2% growth over the previous year. This was due mainly to expansion of the customer base.

Gross profit margin increased from 4.0% in FY2013 to 4.4% in FY2014 due to selling of products with higher margins and better rebates from suppliers for achieving higher sales targets. As a result of improved gross profit margin and increased sales, the Group achieved gross profit of S$3.6 million in FY2014, which is an 11.1% increase over the previous year.

Selling and administrative expenses were reduced from S$7.0 million in FY2013 to S$5.9 million in FY2014 due mainly to reduction in personnel costs offset by S$0.6 million of professional fees for the proposed acquisition of SUTL Marina Development Pte Ltd and ONE15 Luxury Yachting Pte Ltd as well as commission paid for the sale of a 49% stake in Achieva Technology Pte Ltd.

Other operating expenses were reduced from S$1.3 million in FY2013 to S$0.4 million in FY2014 due to better inventory and credit management that resulted in lower provisions required for doubtful receivables and inventories.

Overall, the continuing operations of the Group recorded a net loss of S$2.0 million in FY2014 compared to a net loss of S$5.3 million in FY2013.

The Group ceased its Indonesian operations in the fourth quarter of FY2014 as the business was incurring losses. The loss from discontinued operations increased from S$2.3 million in FY2013 to S$4.6 million in FY2014 due mainly to increase in provision for doubtful receivables from the discontinued operations.

The Company expects the demand in the IT peripherals market to remain weak and to result in downward pressures on the Group profit margins. Against this backdrop, the

Company had on 30 September 2014 effected the disposal of the Company's 49% shareholding interest in its subsidiary Achieva Technology Pte Ltd.

Future Plans

On 14 August 2014, the Company announced that it has entered into a conditional agreement to acquire the entire issued and paid up share capitals of SUTL Marina Development Pte Ltd and ONE15 Luxury Yachting Pte Ltd from the subsidiaries of SUTL Global Pte Ltd at a purchase consideration of S$21.0 million to be satisfied by the issuance of 341,463,414 new shares of the Company.

After taking into consideration, inter alia, the historical financial performance and prospects of SUTL Marina Development Pte Ltd and ONE15 Luxury Yachting Pte Ltd, the Company is of the view that these two companies have a profitable business with strong operating track record that can contribute positively to the Group's revenue and profits.

The Company believes that the proposed acquisition will enable the Group to diversify into the marina and yachting business as a new viable core business and improve the Group's overall financial performance and prospects going forward. The proposed acquisition requires the approval of the independent shareholders of the Company at an Extraordinary General Meeting.

Appreciation

Last but not least, we would like to express our appreciation to shareholders, customers and business associates for their unwavering support and confidence in Achieva despite a very difficult year. In addition, we would like to thank our Directors, management and staff for their effort and contributions to the Group. We will continue to work hard to consolidate our current business and try and achieve better results for all our shareholders in the year ahead.

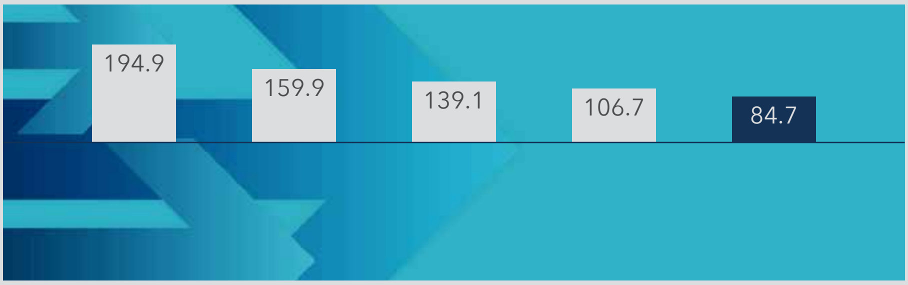
Lew Syn Pau
Chairman (Non-Executive) and Independent Director

Arthur Tay
Executive Director and CEO

FINANCIAL HIGHLIGHTS

FY10 S$'m | FY11 S$'m | FY12 S$'m | FY13 S$'m | FY14 S$'m

REVENUE



GROSS PROFIT

OPERATING (LOSS)/PROFIT BEFORE TAX

(LOSS)/PROFIT AFTER TAX

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	FY10 S$'m	FY11 S$'m	FY12 S$'m	FY13 S$'m	FY14 S$'m
Revenue	194.9	159.9	139.1	106.7	84.7
Gross profit	11.8	9.7	8.1	3.5	3.7
Operating (loss)/profit before tax	(5.0)	(0.5)	0.7	(7.0)	(6.5)
(Loss)/profit after tax	(5.8)	(0.2)	0.6	(7.7)	(6.5)
Non-controlling interest	(0.1)	(0.1)	0.0	0.0	(0.2)
Profit/(loss) attributable to shareholders	(5.7)	(0.1)	0.6	(7.7)	(6.3)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	FY10 S$'m	FY11 S$'m	FY12 S$'m	FY13 S$'m	FY14 S$'m
Property, plant and equipment	0.6	0.5	0.5	0.3	0.1
Current assets	66.3	65.4	60.3	48.5	42.3
Current liabilities	24.9	24.0	19.0	15.0	10.3
Net current assets	41.4	41.4	41.3	33.5	31.9
Non-controlling interest	0.1	0.02	0.0	0.0	4.7
Net assets employed	43.0	43.3	43.1	33.9	27.7
Net asset value per share (cents)	8.2	8.3	8.2	6.5	5.3

BOARD OF DIRECTORS

LEW SYN PAU

Chairman (Non-Executive) and Independent Director

Mr Lew was appointed as Chairman (Non-Executive) in February 2009 and re-elected in April 2010. He has been an Independent Director of Achieva Limited since April 2000. He also sits on the board of several other listed companies including Broadway Industrial Group Ltd., Food Empire Holdings Ltd., Golden-Agri Resources Ltd. and Poh Tiong Choon Logistics Ltd.

Mr Lew was previously the General Manager of NTUC Pasir Ris Resort, Managing Director of NTUC Comfort, Executive Director of NTUC Fairprice and Assistant Secretary General of the NTUC before becoming the General Manager and Senior Country Officer of Banque Indosuez (subsequently renamed Credit Agricole Indosuez). He also held positions as director in the bank's wholly owned subsidiaries involved with private equity, asset management and stock broking.

A Singapore Government scholar, Mr Lew began his career with the Singapore Civil Service. He holds a Master of Engineering from Cambridge University, UK, and a Master of Business Administration from Stanford University, USA. He was Member of Parliament from 1988 to 2001.

ARTHUR TAY TENG GUAN

Executive Director and CEO

Mr Tay is an Executive Director and CEO of the Company and is responsible for the overall management of the Group. He was first appointed as Non-Executive Director in January 2010 and subsequently made the CEO on 1 May 2010.

Mr Tay is Executive Chairman and CEO of the SUTL Group of Companies, a family-owned, professional-managed lifestyle consumer goods and services enterprise, which has businesses across Asia and which owns the ONE°15 Marina Club.

An active philanthropist and grassroots leader, Mr Tay currently serves as Patron for the West Coast Citizens' Consultative Committee, Bukit Batok Citizens' Consultative Committee and Senja-Cashew Citizens' Consultative Committee. He holds an MBA in Real Estate and Finance.

PETER TAY TENG HOCK

Non-Executive Director

Mr Tay was appointed as Non-Executive Director on 19 January 2010. He is shareholder and executive director of the SUTL Group of Companies and brother of Mr Arthur Tay. He has been with the SUTL Group for more than 20 years and is responsible for building projects, building management and logistics and warehouse management.

Mr Tay was the project director for the development of the SUTL Group's ONE°15 Marina Club. He graduated from Heriot-Watt University, Edinburgh, UK with a Bachelor of Engineering.

CHAN KUM TAO

Non-Executive Director

Mr Chan was appointed as Non-Executive Director on 19 January 2010. He is also the Chief Financial Officer of the SUTL Group of Companies. Before SUTL, he was Chief Financial Officer of A&P Coordinator Pte Ltd, and has held positions as Financial Controller and Internal Auditor within the Alfa Laval Group.

He is a Fellow of the Association of Chartered Certified Accountants (UK), and a Fellow of the Institute of Singapore Chartered Accountants.

NG TECK SIM COLIN

Independent Director

Mr Ng was appointed as an Independent Director of Achieva Limited since June 2011.

Mr Ng is the founding partner of Colin Ng & Partners LLP. He is an advocate and solicitor of the Supreme Court of Singapore and a solicitor of the Supreme Court of England and Wales. He is a member of the Disciplinary Panel of Singapore Exchange Limited.

Mr Ng graduated with a LLB (Hons) from the National University of Singapore in 1981. He also holds a Master of Business Administration (Accountancy) from Nanyang Technological University.

KEY EXECUTIVES

ALEX TAY KUAN WEE

Special Assistant to the CEO

Mr Tay was appointed as the Special Assistant to the CEO in February 2014. He looks after the Group's interest in areas of business expansion, potential new markets segments as well as the day to day operations. He is concurrently the Business Development Manager of SUTL Group of Companies.

Mr Tay is the son of Mr Peter Tay and nephew of Mr Arthur Tay. He graduated from the Royal Melbourne Institute of Technology, Australia with a Bachelor in Business Management, majoring in Finance and Accounting.

TAN CHOON KIAT

Interim Group Financial Controller

Mr Tan was appointed as Interim Group Financial Controller in August 2014. He is responsible for the overall financial management of the Achieva Limited group of companies. Mr Tan was a Senior Associate with KPMG LLP and has several years of experience as finance manager with SUTL Group of Companies.

Mr Tan graduated from National University of Singapore and University of Melbourne (U21 Global) with a Bachelor in Business Administration and Master in Business Administration. He is also a member of Institute of Singapore Chartered Accountants.

VALANE TAN CHIEW YEE

Country Manager, Achieva Technology Pte Ltd

Ms Tan joined Achieva in 2008. She was promoted to Country Manager in January 2013. She is responsible for Singapore sales operation and logistics.

Ms Tan has more than 10 years of working experience in IT industry. These include experience gained from having worked in the purchasing department of IBM Singapore and marketing department of Western Digital.

Ms Tan holds an Advance Diploma in Business Administration.

VINCENT WU

Country Manager, Achieva Technology Australia Pty. Ltd.

Vincent Wu joined the Group as the Country Manager of Achieva Technology Australia Pty Ltd on 23 November 2011. He is responsible for the overall business management in Australia.

He has more than 18 years' retail and wholesale experience in the IT & Consumer Electronic industry in Australia. During these years he has worked for several multi-national manufacturers & distribution companies including Infocus Projector; LG Electronics; Samsung Australia & Synnex Australia.

Mr Wu holds a Diploma of Applied Science.

IVAN OOI PHEE YONG

Senior Business Manager, Achieva Technology Sdn Bhd

Ivan Ooi has over 15 years' experience in marketing, advertising and promotions in a management capacity before returning to the IT sector when he joined Achieva Technology Sdn Bhd as an Assistant Branch Manager in 2009. He took on the Intel Product Manager post in August 2012 and was promoted to Senior Business Manager in January 2015.

Mr Ooi had previously gained his experience in the IT industry in the field of system integration for the stockbroking industry after earning his MSc in Information Technology from University of Stirling, Scotland in 1990. He also holds a BSc (Honours) in Business Studies from The City University, London, United Kingdom.

PRODUCTS & PARTNERS

Company	Brands
Own Brands	
Achieva Technology Pte Ltd	Astone
Achieva Technology Pte Ltd	Ovation
Distributor for	
Adata Technology Co., Ltd.	Adata
Fujitsu PC Asia Pacific Pte Ltd	Fujitsu
Palit Mircosystem Ltd	Gainward
Imation	Scalable Storage
Intel Technology Asia Pte Ltd	Intel
QNAP Systems, Inc.	Qnap
Roccat GmbH	Roccat
Silicon Power Computer & Communication Inc.	Silicon Power
Western Digital (S.E.Asia) Pte Ltd	WD
Cyber Clean Asia Pte Ltd	Cyberclean
Promise Technology Pty Ltd	Promise
Nito International Ltd	Target Max
EnGenius Technology	EnGenius

CORPORATE SOCIAL RESPONSIBILITY

At Achieva, we believe that profitability should not be the sole purpose of our Group, and we also seek to contribute back to society and create a positive impact on the community.

Responsibility To Our Environment

Achieva is committed to protect and conserve the environment that our business operates in. We strongly encourage our staff to recycle items and to reduce wastage. For example, we have a policy for our staff to reduce wastage of electricity by switching off electrical appliances when they are not in use. We also have a policy for staff not to print emails unnecessarily.

Contribution To Our Community

Employees are encouraged to donate to charitable organisations, and participate in activities organised by or for charitable organisations.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lew Syn Pau
Chairman (Non-Executive) and Independent Director

Arthur Tay Teng Guan
Executive Director and Chief Executive Officer

Peter Tay Teng Hock
Non-Executive Director

Chan Kum Tao
Non-Executive Director

Colin Ng Teck Sim
Independent Director

REGISTERED OFFICE

100J Pasir Panjang Road
SUTL House, #05-00
Singapore 118525
T : (65) 6590 7100
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COMPANY REGISTRATION NUMBER

199307251M

AUDIT COMMITTEE

Lew Syn Pau
Chairman

Colin Ng Teck Sim
Member

Chan Kum Tao
Member

NOMINATING COMMITTEE

Colin Ng Teck Sim
Chairman

Lew Syn Pau
Member

Arthur Tay Teng Guan
Member

REMUNERATION COMMITTEE

Lew Syn Pau
Chairman

Colin Ng Teck Sim
Member

Chan Kum Tao
Member

ISIN CODE

SG1I63883082

COMPANY SECRETARY

Adrian Chan Pengee

Lee & Lee

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01
Singapore Land Tower,
Singapore 048623

AUDITOR

Tan Peck Yen
Partner-in-charge (Since 2011)
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

SHARE LISTING

The Company's shares are listed on the Singapore Exchange Securities Trading Limited (SGX-ST) Main Board since 2000

PRINCIPAL BANKERS

Citibank Singapore Ltd

DBS Bank Ltd

Overseas - Chinese Banking Corporation Limited

The Hong Kong and Shanghai Banking Corporation Limited

United Overseas Bank Limited

GENERAL ENQUIRY/ INVESTOR RELATIONS

For further information about Achieva Limited, please contact the Secretariat at the Registered Office
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FINANCIAL CONTENTS

CORPORATE GOVERNANCE

The Board of Directors ("Board") recognises the importance of good corporate governance practices. This report describes the Company's corporate governance practices with references to the principles of the Code of Corporate Governance 2012 ("Code").

(A) BOARD MATTERS

The Board's conduct of affairs

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

The Board is primarily responsible for setting corporate policy and overall strategy for the Company and has a direct responsibility for decision making in respect of the following:

- dealing with matters brought up by the Audit Committee, and in particular, the Group's system of internal controls;
- reviewing the operational and financial performance of the Group, including but not limited to approving announcements for the quarterly and full year financial results;
- approving Annual Reports, addenda to Annual Reports and circulars;
- approving the appointments and remuneration of Directors; and
- reviewing corporate governance processes and practices within the Group.

In discharging these responsibilities, the Directors rely on, among other things, the Company's officers and external advisers.

Matters which are reserved for the Board's decision include the following:

- approving material acquisitions and disposal of assets (materiality thresholds applicable- any transaction outside the ordinary course of business amounting to 3% or more of the relative figures set out in Rule 1006 of the Listing Manual);
- share issuances (including stock options or other equity awards), dividends and other capital transactions and returns to shareholders;
- any Interested Person Transaction of a value equal to, or more than, 3% of the Group's latest audited net tangible assets;
- creating any fixed or floating charge, lien (other than a lien arising by operation of law) or other encumbrance over the whole or substantially the whole of the undertaking, property or assets of any company of the Group;

- the Group giving any guarantee or indemnity to secure the liabilities or obligations of any third party amounting to more than S$2.0 million;

- the Group entering into any contract, arrangement, commitment or transaction of any nature whatsoever amounting to more than S$2.0 million, that is not entered into in the ordinary and proper course of business on arm's length terms;

- capital expenses of the Group amounting to more than S$2.0 million; and

- any matters involving a conflict or potential conflict of interest involving a substantial shareholder or a Director.

The functions of the Board are either carried out by the Board or delegated to various committees established by the Board, namely, the Audit Committee ("AC"), the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Risk Management Committee ("RMC"). Each committee has the authority to examine issues relevant to their terms of reference and to make recommendations to the Board for action. The decisions on major policies and matters lie with the Board.

The Board conducts regular scheduled meetings. Additional meetings are convened as and when circumstances warrant. Notwithstanding the attendance of these meetings, the Board is of the view that a Director's contribution may also extend beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Company.

The Company does not currently have a formal training programme for new or existing Directors.

No new Directors were appointed during the financial year ended 31 December 2014 ("FY2014"). However, when a new director is appointed, the Board will endeavour that all newly appointed Directors are given an orientation on the Group's business strategies, operations and organisation structure as well as the statutory and regulatory obligations of being a Director to ensure that they are aware of their responsibilities and obligations of being a Director.

To keep pace with regulatory changes, the Directors are briefed on such changes by the auditors and/or the Company's lawyers from time to time during Board meetings.

The attendance of the Directors at Board and Board committee meetings in 2014, as well as the number of such meetings, is disclosed in the table below.

Meetings	Main Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	4	4	1	1
Directors				
Lew Syn Pau (Independent)	4	4	1	1
Tay Teng Guan Arthur (Executive)	4	NA	1	NA
Tay Teng Hock (Non-Executive)	4	NA	NA	NA
Chan Kum Tao (Non-Executive)	4	4	NA	1
Ng Teck Sim Colin (Independent)	4	4	1	1

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders[1]. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Together, the Directors bring a wide range of business, legal and financial experiences relevant to the Group and provide an appropriate balance and diversity of skills and experience to the Board.

The NC reviews annually the performance of members of the Board. It also reviews the independence of a Director bearing in mind the Code's definition of an 'independent' Director and guidance as to relationships the existence of which would deem a Director not to be independent. It should be noted that Mr Ng Teck Sim Colin is an Independent Director of the Company and a partner of a legal firm which may from time to time render professional legal services to the Group. Nevertheless, the NC (excluding Mr Ng in respect of the deliberation of his own independence) has considered Mr Ng to be independent as the billing is not substantial and he is capable of maintaining his objectivity and independence at all times in the carrying out of his duties and responsibilities as an Independent Director.

As Mr Lew Syn Pau has served on the Board for more than nine years, the NC (excluding Mr Lew in respect of the deliberation of this matter) has conducted a review of his contributions to the Board to determine if he has maintained his independence. The NC is satisfied with Mr Lew's performance and that Mr Lew has remained independent in his judgment and can continue to discharge his duties objectively. In its review, the NC noted that Mr Lew Syn Pau has been an Independent Director since April 2000 and has served on the Board for more than nine (9) years. The NC considered that there has been a change in the controlling shareholder in December 2009, when SUTL Global Pte. Ltd. acquired shares of the Company representing 23.36% of the total number of issued shares from Mr Henry Lim Yong Choon, who was then the controlling shareholder of the Company. The period from the change in the controlling shareholding was less than nine (9) years.

The Board is satisfied as to the performance and continued independence of judgment of each of these Directors.

1 The term "10% shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the Company. "Voting shares" exclude treasury shares.

Chairman and Chief Executive Officer

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

Mr Lew Syn Pau is the Chairman (Non-Executive) and Mr Tay Teng Guan Arthur is an Executive Director and the Chief Executive Officer ("CEO").

The Chairman provides leadership to the Board. He holds a casting vote and sets the meeting agenda in close consultation with the Board. The Chairman assumes the lead role in overseeing the corporate governance processes.

The CEO is responsible for the day-to-day management of the affairs of the Group. He is accountable to the Board for the overall performance of the Group's business operations and strategic planning, and also executes the strategic plans set out by the Board and ensures that the Directors are kept updated and informed of the Group's business through management reports.

The Group's business is conducted by its employees, managers and corporate officers led by the CEO, with oversight from the Board. The Board works with the CEO to elect/appoint other officers who are charged with managing the businesses of the Group. The CEO has the responsibility of overseeing and directing the officers to ensure that the interests of the Company are served.

Board Membership and Performance

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

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

The Board has authority to fill vacancies on the Board and to nominate candidates for election by the shareholders. The screening process is handled by the NC with direct input from the other Directors.

The NC currently comprises three members, namely:

Mr Ng Teck Sim Colin, Chairman of the NC	(Independent Director)
Mr Lew Syn Pau, Member of the NC	(Independent Director)
Mr Tay Teng Guan Arthur, Member of the NC	(Executive Director and CEO)

The NC's key duties and responsibilities include the following:

(a) making recommendations to the Board on new appointments to the Board in accordance with the Board's criteria;

(b) making recommendations to the Board on the re-nomination of retiring Directors standing for re-election at the Company's Annual General Meeting, having regard to the Director's contribution and performance;

(c) determining annually, and as and when circumstances require, whether or not a Director is independent and providing its views to the Board in relation thereto for the Board's consideration;

(d) reviewing the independence of any Director who has served on the Board for more than nine (9) years from the date of his first appointment and the reasons for considering him as independent;

(e) where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments;

(f) where the appointment of an alternate Director to a Director is proposed, determining whether the alternate Director is familiar with the Company's affairs, is appropriately qualified and (in the case of an alternate Director to an Independent Director) whether the alternate Director would similarly qualify as an Independent Director, and providing its views to the Board in relation thereto for the Board's consideration;

(g) making recommendations to the Board of Directors on relevant matters relating to:
  (i) the review of board succession plans for Directors, in particular, the Chairman and for the CEO;
  (ii) the development of a process for evaluation of the performance of the Board, its board committees and Directors;
  (iii) the review of training and professional development programs for the Board; and
  (iv) the appointment and re-appointment of Directors (including alternate Directors, if applicable);

(h) proposing objective performance criteria and evaluating the performance of the Board of Directors as a whole which allows for comparison with industry peers and address how the Board has enhanced long-term shareholder value;

(i) carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and its board committees and (if applicable) the contributions of individual Directors to the effectiveness of the Board of Directors, based on the process implemented by the Board;

(j) providing its views and recommendations to the Board, including any appointment of new members, based on the results of the performance evaluation;

(k) reporting to the Board its findings from time to time on matters arising and requiring the attention of the NC; and

(i) undertaking such other reviews, projects, functions, duties and responsibilities as may be requested by the Board of Directors.

A brief description of the background of each Director is presented on pages 10 and 11 of this Annual Report.

The Directors submit themselves for re-nomination or re-election at regular intervals of at least once every 3 years and the Company's Articles of Association requires one-third of the Directors for the time being (other than the Managing Director), or, if their number is not 3 or a multiple of 3, then the number nearest one-third, to retire from office at each Annual General Meeting ("AGM") of the Company. Retiring Directors are selected on the basis of those who have been longest in office since their last election, failing which they shall be selected by agreement or by lot.

The search and nomination process for new Directors, if any, will be via contacts and recommendations. The NC also evaluates potential candidates and their suitability, and makes recommendations to the Board for approval.

Directors are allowed to hold directorships in companies outside the Group. The Board and the NC are of the view that the current level of multiple board representations of the Directors does not hinder their ability to carry out their duties as Directors of the Company. The Board believes that each Director has to personally determine the demands of his or her competing directorships and obligations and assess how much time is available to serve on the Board effectively, and this determination would be based on various factors and not only the number of listed company board representations that the Director has. Further, the NC from time to time assesses the independence of each Director, the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. Accordingly, the Board has not set a maximum number of board representations a Director may hold.

The Board is of the view that the current size of the Board is adequate and appropriate after taking into account the size of the Group and the costs involved.

The NC assesses and makes recommendations to the Board as to whether the retiring Directors are suitable for re-election/re-appointment in consultation with the Chairman and CEO. The NC implements an assessment process that requires each Director to submit an assessment of the performance of the Board, its board committees and of individual Directors for the financial year under review.

Access to Information

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

Information and data relating to matters to be covered at a Board meeting are usually distributed to the Directors before the meeting for their deliberation. On an on-going basis, the Directors have full access to the Company's senior management and the corporate secretarial agent should they have any queries or require additional information on the affairs of the Company and the Group. The corporate secretarial agent attends all Board Meetings.

Currently, there is no formal procedure for the Directors to take independent and professional advice to discharge their duties. However, subject to prior approval of the Board, the Board and its committees may seek legal, financial or other expert advice from any source independent of Management in furtherance of their duties and in the event that circumstances warrant the same.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Level and Mix of Remuneration

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

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

The RC currently comprises three members, namely:

Mr Lew Syn Pau, Chairman of the RC	(Independent Director)
Mr Ng Teck Sim Colin, Member of the RC	(Independent Director)
Mr Chan Kum Tao, Member of the RC	(Non-Executive Director)

The RC's duties and responsibilities include the following:

(a) reviewing and recommending to the Board of Directors, a general framework of remuneration for the Directors and key management personnel;

(b) reviewing and recommending annually to the Board, the specific remuneration packages for each Director as well as for the key management personnel, and in its review, to cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind;

(c) reviewing annually the remuneration of employees who are immediate family members of a Director or CEO whose remuneration exceeds S$50,000 during the year;

(d) reviewing the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service;

(e) ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

(f) reviewing whether Executive Directors, Non-Executive and Independent Directors and key management personnel should be eligible for options, share incentives, awards and other benefits under the Schemes;

(g) considering the advice from the RMC on risk weighting to be applied to performance objectives incorporated in executive remuneration;

(h) reviewing working environments and succession planning for Management;

(i) reviewing the terms of the employment arrangements with Management so as to develop consistent group-wide employment practices subject to regional differences;

(j) reporting to the Board of Directors its findings from time to time on matters arising and requiring the attention of the Committee;

(k) undertaking such other reviews, projects, functions, duties and responsibilities as may be requested by the Board of Directors.

In setting remuneration packages, the RC takes into account the performance of the Group, as well as individual Directors and key management personnel, aligning their interests with those of shareholders, and linking rewards to corporate and individual performance. The RC also considers the remuneration packages and employment conditions within the industry and in comparable companies. No Director is involved in deciding his own remuneration.

Directors are paid Directors' fees, subject to approval at the Company's AGM. The RC recommends to the Board, Directors' fees that are appropriate to the level of contribution, taking into account factors such as effort and time spent and responsibilities of Directors.

On 29 April 2011, the Company put in place a share option scheme approved by shareholders (the "Achieva Limited Share Option Scheme 2011"). Under this scheme, the number of shares in respect of which options may be granted shall be determined at the discretion of the RC who shall take into account, inter alia, the rank, past performance, years of service and potential contribution of the employee. Details of the options granted under the Achieva Limited Share Option Scheme 2011 are set out in the Directors' Report on pages 33 to 36 of this Annual Report.

Currently, the Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. Generally, the Executive Director receives only a basic salary and Directors' fees with no bonus. For the key management personnel, the aggregate remuneration, including any bonus components, was not excessive. Further, as the Executive Director owes a fiduciary duty to the Company, the Company should be able to avail itself to remedies against the Executive Director in the event of a breach of such fiduciary duties.

The breakdown (in percentage terms) of the remuneration for FY 2014, of Directors of the Company and the top key management personnel who are not also Directors of the Company, is set out as below:

Remuneration band & name of Directors	Base/fixed salary %	Variable or performance related income/ bonus %	Fees [1] %	Benefits and allowances %	Other long term incentives %	Total
Below S$250,000						
Tay Teng Guan Arthur	80	–	15	5	–	100
Tay Teng Hock	–	–	100	–	–	100
Chan Kum Tao	–	–	100	–	–	100
Lew Syn Pau	–	–	100	–	–	100
Ng Teck Sim Colin	–	–	100	–	–	100

Notes:

1. Directors' fees in an aggregate amount are subject to approval by shareholders at the Company's forthcoming AGM.

Remuneration band & name of Top Key Management Personnel	Base/fixed salary %	Variable or performance related income/ bonus %	Fees %	Benefits and allowances %	Other long term incentives %	Total
Below S$250,000						
Frederick Yiong Wee Hian (resigned March 2014)	74	–	–	26	–	100
Tay Kuan Wee Alex (appointed February 2014)	62	36	–	2	–	100
Ooi Chee Eng (resigned August 2014)	73	15	1	11	–	100
Tan Choon Kiat (appointed August 2014)	35	64	–	1	–	100
Vincent Wu	80	–	–	20	–	100
Thomas Teng (resigned December 2014)	87	–	–	13	–	100
Valane Tan Chiew Yee	84	–	–	16	–	100

The Board supports and is aware of the need for transparency. However, after deliberation, the Board has decided to disclose the remuneration of Directors, the CEO, and the top key management personnel in remuneration bands of S$250,000 and by a percentage breakdown in terms of categories and components instead of the specific remuneration. The Board considered, inter alia, the competitive pressures, the sensitive nature of the matter and potential for poaching of staff.

Total remuneration paid to the above top key management personnel (who are not Directors or the CEO) of the Company for FY2014 was approximately S$560,000.

Mr Tay Teng Guan Arthur, an Executive Director and the CEO, is a sibling of Mr Tay Teng Hock, a Non-Executive Director. Mr Tay Kuan Wee Alex, Special Assistant to the CEO, is the son of Mr Tay Teng Hock, a Non-Executive Director and the nephew of Mr Tay Teng Guan Arthur, Executive Director and CEO. Other than the above, during the financial year, the Company and its related companies did not employ any immediate family members of any Director or the CEO. The remuneration of Mr Tay Kuan Wee Alex for FY2014 did not exceed S$50,000.

(C) ACCOUNTABILITY AND AUDIT

Accountability

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

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects, including interim and other price sensitive reports and reports to regulators (if required). Further, the Company adopts a policy which welcomes Directors to request for further explanations, briefings or informal discussions on any aspects of the Group's operations or business from senior management.

Risk Management and Internal Controls

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

The Board has established a RMC, which currently comprises three members, namely:

Mr Chan Kum Tao, Chairman of the RMC	(Non-Executive Director)
Mr Tay Kuan Wee Alex	(Special Assistant to the Chief Executive Officer)
Mr Tan Choon Kiat	(Interim Group Financial Controller)

The RMC's duties and responsibilities include the following:

(a) determining and recommending the nature and extent of significant risks in achieving the Board's strategic objectives;

(b) determining the Company's levels of risk tolerance and risk policies, and overseeing Management in the design, implementation and monitoring of the Company's risk management and internal control systems;

(c) advising on the Company's overall risk tolerance and strategy;

(d) overseeing and advising on the current risk exposures and future risk strategy of the Company;

(e) in relation to risk assessment:

    (i) keeping under review the Company's overall risk assessment processes that inform the Board's decision making;
    (ii) reviewing regularly and approving the parameters used in these measures and the methodology adopted; and
    (iii) setting a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;

(f) reviewing the Company's capability to identify and manage new risk types;

(g) before a decision to proceed is taken by the Board, advising on proposed strategic transactions, focusing in particular on risk aspects and implications for the risk tolerance of the Company, and taking independent external advice where appropriate and available;

(h) reviewing reports on any material breaches of risk limits and the adequacy of proposed action;

(i) reviewing and reporting to the AC, at least annually, the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

(j) providing advice to the RC on risk weightings to be applied to performance objectives incorporated in executive remuneration;

(k) monitoring the independence of risk management functions throughout the organisation;

(l) reviewing promptly all relevant risk reports on the Company; and

(m) reviewing and monitoring Management's responsiveness to the findings.

The Management has in place a system of internal controls to safeguard shareholders' investments and the assets of the Group. It should be noted such systems are designed to manage rather than eliminate the risk of failure to achieve our business objectives. It should be further noted that that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The Board of Directors and the AC have reviewed the adequacy and effectiveness of the Group's internal controls including the Group's financial, operational and compliance risks. Following from the foregoing and based on work done by the internal and external auditors and reviews performed by Management throughout FY2014, the Board, with the concurrence of the AC, is of the opinion that the systems of internal controls in place to address financial, operational, compliance and information technology risks, and its risk management systems are adequate in providing reasonable assurance of the effectiveness of the Group in safeguarding its assets and shareholders' value under the current business environment.

The Board has received assurance from the CEO and the Interim Group Financial Controller that, as at 31 December 2014:

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

(b) the Group's risk management and internal control systems were adequate to address financial, operational, compliance and information technology risks that the Company considers relevant and material to its operations.

Audit Committee

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

The AC currently comprises three members, namely:

Mr Lew Syn Pau, Chairman of the AC	(Independent Director)
Mr Ng Teck Sim Colin, Member of the AC	(Independent Director)
Mr Chan Kum Tao, Member of the AC	(Non-Executive Director)

The AC is authorised by the Board to investigate matters within its terms of reference. The responsibilities of the AC include:

(a) reviewing the scope and results of the external audit and its cost effectiveness;

(b) reviewing the independence and objectivity of the external auditors annually. Where the auditors also supply a substantial volume of non-audit services to the Company, the AC shall keep under review the nature and extent of such services, seeking to maintain objectivity;

(c) reviewing the significant financial reporting issues and judgments and any formal announcements relating to the Group's financial performance;

(d) reviewing the interim and annual financial statements and financial announcements;

(e) after considering the report of the RMC, reviewing and reporting to the Board, at least annually, the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

(f) reviewing the results of the internal auditors' examination of the Group's system of internal accounting controls and any reports by the RMC on the Group's system of internal controls;

(g) monitoring the establishment, appointments, staffing, qualifications and experience of the Company's internal audit function, including approval of the appointment and compensation terms of the head of the internal audit function, review of whether the internal audit function is adequately resourced, is independent of the activities it audits, and has appropriate standing within the Company. The internal audit function can either be in-house, outsourced to a reputable accounting/auditing firm, or performed by a major shareholder, holding company, parent company or controlling enterprise with an internal audit staff;

(h) reviewing, at least annually, the adequacy and effectiveness of the Company's internal audit function;

(i) meeting with the external auditors, and with the internal auditors, without the presence of the Company's management, at least annually;

(j) making recommendations to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;

(k) reviewing the policies and arrangements by which staff of the Company may, in confidence, raise concerns about any possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow up action;

(l) reviewing, at least annually, any Interested Persons Transactions (IPT);

(m) reviewing any matters relating to suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") or any other regulatory authority in Singapore, of which the AC is aware, which has or is likely to have a material impact on the Company's or Group's operating results and/or financial position, and the findings of any internal investigations, and management's response thereto; and

(n) reviewing any reports or recommendations made by the RMC from time to time.

During FY2014, the AC held four meetings. The external auditors were in attendance at four of these meetings, and external consultants (internal audit) were in attendance at one of these meetings.

The AC has reviewed all non-audit services to the Group by the external auditors, and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The independence of the external auditors is reviewed by the AC annually. The Company confirms that it has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to its auditing firms. The audit service and non-audit service fees paid or payable for FY2014 are stated in Note 8 to the financial statements.

The Group also has a "Whistle Blowing Policy" which provides an independent and confidential channel for employees to communicate concerns of wrongdoings, malpractices and illegal acts directly to the AC Chairman.

The external auditors provide regular updates and briefings to the AC on changes or amendments to accounting standards, which would enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

Internal Audit

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

To ensure that the Management maintains a good system of internal controls to safeguard the shareholders' investments and the Group's assets, the internal audit was conducted by external consultants (internal audit) who reported directly to the AC chairman. To ensure the adequacy and effectiveness of the internal audit function, the AC reviews the scope of work of the internal audit manager on an annual basis.

Non-compliance and internal control weaknesses noted during internal audits and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system.

The AC and the Board are satisfied that there are adequate internal controls for the Group.

(D) SHAREHOLDER RIGHTS AND REPONSIBILITIES

Shareholder Rights

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

Communication with Shareholders

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

Conduct of Shareholder Meetings

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

Achieva Limited has a corporate website http://www.achieva.com.sg where corporate news, announcements and press releases are posted.

All shareholders of the Company receive a copy of the Annual Report and notice of the Company's AGM. The notice is also advertised in the newspaper and made available via timely SGXNET announcements.

The AGM is the principal forum for dialogue with shareholders. The Company encourages active shareholder participation at its general meetings. The Board, the corporate secretarial agent, senior management and the Company's external auditors were present and available to address questions at the Company's AGM held on 24 April 2014.

The declaration of dividends, if any, is to be recommended by the Directors and subject to the approval of the shareholders by ordinary resolution. The Company's dividend policy is to distribute dividends based on the Company's performance, taking into consideration the resources needed for the Company's continuing and future operations and possible future plans. After considering the Company's dividend policy, the Company is of the opinion that it is in the Company's interest to not distribute any dividends for FY2014.

Shareholders and investors may communicate with the Company and, as the case may be, submit any notices of interests, via the Company's investor relations email address of investor_relations@achieva.com.sg.

(E) OTHER MATTERS

Interested Person Transactions

Disclosure according to Rule 907 of the Listing Manual of the SGX-ST in respect of Interested Person Transactions for FY2014 are stated in the following table:

Name of Interested Person	Aggregate value of all Interested Person Transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)		Aggregate value of all Interested Person Transactions during the financial period conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	FY2014 S$'000	FY2013 S$'000	FY2014 S$'000	FY2013 S$'000
SUTL Corporation Pte Ltd	–	–	–	–

For FY2014, there were no Interested Person Transactions entered into (excluding transactions less than S$100,000).

Material Contracts

Save as disclosed in this Annual Report, there were no material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, Directors or controlling shareholders which were still subsisting as at 31 December 2014 or if not then subsisting, entered into since 31 December 2013.

Securities Transactions

The Group has adopted and implemented an internal policy governing securities transaction by its officers and employees. Under the internal policy, officers and other employees are reminded that (i) officers should not deal in the Company's securities on short term considerations and (ii) the Company and its officers should not deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements.

DIRECTORS' REPORT

The Directors present their report to the members together with the audited consolidated financial statements of Achieva Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2014.

DIRECTORS

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

Lew Syn Pau
Tay Teng Guan Arthur
Tay Teng Hock
Chan Kum Tao
Ng Teck Sim Colin

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 objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
The Company				
Ordinary shares				
Lew Syn Pau	440,000	–	1,000,000	1,440,000
Tay Teng Guan Arthur	–	–	132,313,009	132,313,009

By virtue of his direct interest in SUTL Global Pte. Ltd. and indirect interest in SUTL Corporation Pte Ltd, Mr Tay Teng Guan Arthur is deemed, under Section 7 of the Singapore Companies Act, Chapter 50, to have an interest in all the shares held by SUTL Global Pte. Ltd. and SUTL Corporation Pte Ltd respectively in the Company and its subsidiaries.

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

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

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

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

The Achieva Limited Share Option Scheme ("SOS") was approved by the members of the Company at an Extraordinary General Meeting held on 31 May 2001 and it expired in May 2011. In view of its expiration, a new Achieva Limited Share Option Scheme 2011 for the employees of the Group and Non-Executive Directors of the Company ("SOS 2011") was approved by the members of the Company at an Extraordinary General Meeting held on 29 April 2011. The expiry of the SOS shall be without prejudice to the rights accrued to options which have been granted and accepted pursuant to the SOS, whether such options have been exercised (whether fully or partially) or not.

Pursuant to the SOS 2011, participants would be granted options to subscribe for ordinary shares of the Company, and the options granted will have an exercise period expiring at the end of five years (for Non-Executive Directors) and ten years (for the employees of the Group) from the date of the grant.

The exercise price is at:

- a price which is equivalent to the market price (as determined under the rules of the SOS 2011); or

- a price which is set at a discount to the market price (as determined under the rules of the SOS 2011), provided that the maximum discount shall not exceed 20% of the market price.

The options will be exercisable after the expiration of the first and second anniversaries of the date the options are granted.

The SOS 2011 is administered by the Remuneration Committee whose members are:

Lew Syn Pau	(Chairman)
Chan Kum Tao	(Member)
Ng Teck Sim Colin	(Member)

During the financial year ended 31 December 2014, there were no options granted to subscribe for unissued ordinary shares in the Company and there were no shares issued by virtue of the exercise of options.

As at 31 December 2014, there were no outstanding options to subscribe for unissued ordinary shares in the Company (2013: 2,600,000)

SHARE OPTIONS (CONT'D)

Date of grant	Balance at 1.1.2014	Forfeited	Balance at 31.12.2014	Options exercisable as at 31.12.2014	Exercise price	Expiry date
SOS						
20.08.2010	500,000	(500,000)	–	–	$0.090	20.08.2020
SOS 2011						
16.05.2012	1,500,000	(1,500,000)	–	–	$0.060	16.05.2022
02.07.2012	600,000	(600,000)	–	–	$0.050	02.07.2022
	2,600,000	(2,600,000)	–	–		

These options did not entitle the holder to participate, by virtue of the options, in any share issue of any other corporation.

Details of the options to subscribe for ordinary shares of the Company granted to a director and employees of the Group pursuant to the SOS and SOS 2011 are as follows:

Name of holders	Options granted during financial year under review	Aggregate options granted since commencement of Scheme to end of financial year under review	Aggregate options exercised since commencement of Scheme to end of financial year under review	Aggregate options outstanding as at end of financial year under review
SOS				
Directors				
Lew Syn Pau	–	740,000	(440,000)	–
Goh Kian Hwee	–	740,000	(440,000)	–
Total	–	1,480,000	(880,000)	–

Aggregate options granted since commencement of the SOS and SOS 2011 to end of financial year under review is 51,893,954 (2013: 51,893,954).

Except as disclosed above, since the commencement of the SOS and SOS 2011 till the end of the financial year:

- No options have been granted to the controlling shareholder of the Company and their associates;
- No holder has received 5% or more of the total options available under the plans;
- No options have been granted to directors of the Company and its subsidiaries;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

DIRECTORS' REPORT

AUDIT COMMITTEE

The Audit Committee ("AC") carried out its functions in accordance with the Listing Manual and the Code of Corporate Governance. The functions performed and further details are set out in the Corporate Governance Report.

The AC has nominated Ernst & Young LLP for re-appointment as auditor of the Company at the forthcoming Annual General Meeting.

AUDITOR

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

On behalf of the board of directors:

Lew Syn Pau
Director

Tay Teng Guan Arthur
Director

Singapore
27 March 2015

STATEMENT BY DIRECTORS

We, Lew Syn Pau and Tay Teng Guan Arthur, being two of the directors of Achieva Limited, do hereby state that, in the opinion of the directors,

(i) the accompanying statements of financial position, consolidated statement of comprehensive income, statements of changes in equity and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

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

On behalf of the board of directors:

Lew Syn Pau
Director

Tay Teng Guan Arthur
Director

Singapore
27 March 2015

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2014

Independent auditor's report to the members of Achieva Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Achieva Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 40 to 105, which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income, and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of 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

For the financial year ended 31 December 2014

Independent auditor's report to the members of Achieva Limited

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
27 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

(Amounts expressed in Singapore dollars)

	Note	2014 $'000	2013 $'000
			(Restated)
Continuing operations			
Revenue	4	84,322	83,318
Cost of sales	19	(80,636)	(80,000)
Gross profit		**3,686**	**3,318**
Other operating income	5	743	516
Selling expenses		(1,943)	(2,763)
Administrative expenses		(3,982)	(4,260)
Other operating expenses	6	(409)	(1,304)
Finance expenses	7	(43)	(142)
Loss before tax from continuing operations	8	**(1,948)**	**(4,635)**
Income tax expense	9	(4)	(712)
Loss from continuing operations, net of tax		**(1,952)**	**(5,347)**
Discontinued operations			
Loss from discontinued operations, net of tax	10	(4,551)	(2,328)
Loss for the year		**(6,503)**	**(7,675)**
Attributable to:			
Owners of the Company			
Loss from continuing operations, net of tax		(1,784)	(5,347)
Loss from discontinued operations, net of tax		(4,551)	(2,328)
Loss for the year attributable to owners of the Company		**(6,335)**	**(7,675)**
Non-controlling interests			
Loss from continuing operations, net of tax		(168)	–
Loss from discontinued operations, net of tax		–	–
Loss for the year attributable to non-controlling interests		**(168)**	–

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

(Amounts expressed in Singapore dollars)

	Note	2014 $'000	2013 $'000
			(Restated)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation, representing total other comprehensive income for the year, net of tax		(118)	(1,575)
Total comprehensive income for the year		**(6,621)**	**(9,250)**
Attributable to:			
Owners of the Company		(6,414)	(9,250)
Non-controlling interests		(207)	–
Total comprehensive income for the year		**(6,621)**	**(9,250)**
Attributable to:			
Total comprehensive income from continuing operations, net of tax		(1,863)	(6,922)
Total comprehensive income from discontinued operations, net of tax		(4,551)	(2,328)
Total comprehensive income for the year attributable to owners of the Company		**(6,414)**	**(9,250)**
Loss per share from continuing operations attributable to owners of the Company (cents)			
Basic	11(a)(i)	(0.34)	(1.02)
Diluted	11(a)(ii)	(0.34)	(1.02)
Loss per share attributable to owners of the Company (cents)			
Basic	11(b)	(1.21)	(1.47)
Diluted	11(b)	(1.21)	(1.47)

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

(Amounts expressed in Singapore dollars)

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Non-current assets					
Plant and equipment	14	145	274	–	–
Intangible assets	15	41	76	–	–
Investment in subsidiaries	16	–	–	4,888	–
Other investments	17	–	7	–	–
Trade receivables	18	250	–	–	–
Due from a subsidiary	20	–	–	–	9,182
Due from an investee company	18	–	65	–	–
		436	422	4,888	9,182
Current assets					
Inventories	19	5,940	4,386	–	–
Trade and other receivables	18	12,452	15,913	849	3
Prepaid operating expenses		406	68	5	3
Due from subsidiaries	20	–	–	2,300	1,729
Derivative assets	21	–	2	–	–
Cash and cash equivalents	22	23,457	28,137	20,235	21,740
		42,255	48,506	23,389	23,475
Total assets		**42,691**	**48,928**	**28,277**	**32,657**
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	23	9,196	7,162	–	9
Accrued operating expenses		931	588	669	262
Loans and borrowings	24	–	6,964	–	–
Income tax payable		2	2	–	–
Provisions	25	179	270	–	–
		10,308	14,986	669	271
Net current assets		31,947	33,520	22,720	23,204
Non-current liabilities					
Provisions	25	–	22	–	–
Total liabilities		**10,308**	**15,008**	**669**	**271**
Net assets		**32,383**	**33,920**	**27,608**	**32,386**

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

(Amounts expressed in Singapore dollars)

	Note	Group		Company	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000
Equity attributable to owners of the Company					
Share capital	26	23,395	23,395	23,395	23,395
Retained earnings		6,645	12,980	3,491	8,278
Other reserves	27	(2,353)	(2,455)	722	713
		27,687	33,920	27,608	32,386
Non-controlling interests		4,696	–	–	–
Total equity		32,383	33,920	27,608	32,386
Total equity and liabilities		**42,691**	**48,928**	**28,277**	**32,657**

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

(Amounts expressed in Singapore dollars)

Group	Equity, total $'000	Equity attributable to owners of the Company, total $'000	Share capital (Note 26) $'000	Retained earnings $'000	Other reserves, total $'000	Share-based compensation reserve (Note 27(a)) $'000	Premium received on disposal of non-controlling interest (Note 27(b)) $'000	Foreign currency translation reserve (Note 27(c)) $'000	Non-controlling interests $'000
		Attributable to owners of the Company							
2014									
Opening balance at 1 January 2014	**33,920**	**33,920**	**23,395**	**12,980**	**(2,455)**	**713**	–	**(3,168)**	–
Loss for the year	(6,503)	(6,335)	–	(6,335)	–	–	–	–	(168)
Other comprehensive income									
Foreign currency translation, representing other comprehensive income for the year, net of tax	(118)	(79)	–	–	(79)	–	–	(79)	(39)
Total comprehensive income for the year	**(6,621)**	**(6,414)**	–	**(6,335)**	**(79)**	–	–	**(79)**	**(207)**
Contributions by owners									
Share-based payment expense, representing total contributions by owners	9	9	–	–	9	9	–	–	–
Changes in ownership interests in subsidiaries									
Disposal of non-controlling interest without a change in control, representing total changes in ownership interests in subsidiaries	5,075	172	–	–	172	–	172	–	4,903
Total transactions with owners in their capacity as owners	**5,084**	**181**	–	–	**181**	**9**	**172**	–	**4,903**
Closing balance at 31 December 2014	**32,383**	**27,687**	**23,395**	**6,645**	**(2,353)**	**722**	**172**	**(3,247)**	**4,696**

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

(Amounts expressed in Singapore dollars)

Group	Equity, total $'000	Attributable to owners of the Company: Equity attributable to owners of the Company, total $'000	Share capital (Note 26) $'000	Retained earnings $'000	Other reserves, total $'000	Share-based compensation reserve (Note 27(a)) $'000	Premium received on disposal of non-controlling interest (Note 27(b)) $'000	Foreign currency translation reserve (Note 27(c)) $'000	Non-controlling interests $'000
2013									
Opening balance at 1 January 2013	**43,128**	**43,128**	**23,395**	**20,655**	**(922)**	**670**	**1**	**(1,593)**	**-**
Loss for the year	(7,675)	(7,675)	–	(7,675)	–	–	–	–	–
Other comprehensive income									
Foreign currency translation, representing other comprehensive income for the year, net of tax	(1,575)	(1,575)	–	–	(1,575)	–	–	(1,575)	–
Total comprehensive income for the year	**(9,250)**	**(9,250)**	–	**(7,675)**	**(1,575)**	–	–	**(1,575)**	–
Contributions by owners									
Share-based payment expense, representing total contributions by owners	43	43	–	–	43	43	–	–	–
Changes in ownership interests in subsidiaries									
Disposal of non-controlling interest without a change in control, representing total changes in ownership interests in subsidiaries	(1)	(1)	–	–	(1)	–	(1)	–	–
Total transactions with owners in their capacity as owners	**42**	**42**	–	–	**42**	**43**	**(1)**	–	–
Closing balance at 31 December 2013	**33,920**	**33,920**	**23,395**	**12,980**	**(2,455)**	**713**	–	**(3,168)**	–

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

(Amounts expressed in Singapore dollars)

Company	Equity, total $'000	Share capital (Note 26) $'000	Retained earnings $'000	Share-based compensation reserve (Note 27(a)) $'000
2014				
Opening balance at 1 January 2014	**32,386**	**23,395**	**8,278**	**713**
Loss for the year, representing total comprehensive income for the year	(4,787)	–	(4,787)	–
Contributions by owners				
Share-based payment expense, representing total contributions by owners	9	–	–	9
Total transactions with owners in their capacity as owners	**9**	–	–	**9**
Closing balance at 31 December 2014	**27,608**	**23,395**	**3,491**	**722**
2013				
Opening balance at 1 January 2013	**42,766**	**23,395**	**18,701**	**670**
Loss for the year, representing total comprehensive income for the year	(10,423)	–	(10,423)	–
Contributions by owners				
Share-based payment expense, representing total contributions by owners	43	–	–	43
Total transactions with owners in their capacity as owners	**43**	–	–	**43**
Closing balance at 31 December 2013	**32,386**	**23,395**	**8,278**	**713**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2014

(Amounts expressed in Singapore dollars)

	Note	2014 $'000	2013 $'000
			(Restated)
Operating activities			
Loss before tax from continuing operations		(1,948)	(4,635)
Loss before tax from discontinued operations		(4,551)	(2,328)
Loss before tax, total		(6,499)	(6,963)
Adjustments for:			
Allowance for doubtful receivables, net		4,044	2,633
Depreciation of plant and equipment	14	125	263
Impairment loss on plant and equipment	14	–	464
Amortisation of intangible assets	15	37	26
Plant and equipment written off	8	21	42
Net gain on disposal of plant and equipment	5	(15)	(71)
Net fair value loss/(gain) on derivatives		2	(6)
Interest expense	7	9	102
Discount adjustment on trade receivables	18	–	587
Interest income		(138)	(728)
(Write-back of)/allowance for inventory obsolescence, net		(118)	487
Share-based payment expense	12	9	43
Reversal of provisions, net		(105)	(263)
Unrealised foreign exchange gain		(101)	(1,130)
Total adjustments		3,770	2,449
Operating cash flows before changes in working capital		(2,729)	(4,514)
Changes in working capital:			
(Increase)/decrease in inventories		(1,436)	4,460
(Increase)/decrease in trade and other receivables		(833)	1,055
(Increase)/decrease in prepaid operating expenses		(338)	215
Increase/(decrease) in trade and other payables		2,034	(3,207)
Increase/(decrease) in other liabilities		343	(493)
Decrease in loan to an investee company		65	–
Total changes in working capital		(165)	2,030
Cash flows used in operations		(2,894)	(2,484)
Income tax paid		(4)	(13)
Interest paid		(9)	(102)
Interest received		138	728
Net cash flows used in operating activities		**(2,769)**	**(1,871)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2014

(Amounts expressed in Singapore dollars)

	Note	2014 $'000	2013 $'000
Investing activities			
Proceeds from disposal of other investment		7	–
Proceeds from disposal of plant and equipment		15	95
Proceeds from disposal of non-controlling interest without a change in control		5,075	–
Purchases of plant and equipment	14	(21)	(581)
Purchases of intangible assets	15	–	(104)
Net cash flows generated from/(used in) investing activities		**5,076**	**(590)**
Financing activities			
Proceeds from loans and borrowings		–	6,964
Repayments of loans and borrowings		(6,964)	(7,030)
Net cash flows used in financing activities		**(6,964)**	**(66)**
Net decrease in cash and cash equivalents		**(4,657)**	**(2,527)**
Effect of exchange rate changes on cash and cash equivalents		(23)	(399)
Cash and cash equivalents at 1 January	22	**28,137**	**31,063**
Cash and cash equivalents at 31 December	22	**23,457**	**28,137**

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

1. CORPORATE INFORMATION

Achieva Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 100J Pasir Panjang Road, #05-00, SUTL House, Singapore 118525.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

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

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

The financial statements are presented in Singapore dollars ("SGD or $"), and all values in the tables are rounded to the nearest thousand ("$'000") as indicated, except when otherwise indicated.

2.2 *Changes in accounting policies*

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 *Standards issued but not yet effective*

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

Description	Effective for annual periods beginning on or after
Amendments to *FRS 19 Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 *Share Based Payment*	1 July 2014
(b) Amendments to FRS 103 *Business Combinations*	1 July 2014
(c) Amendments to FRS 108 *Operating Segments*	1 July 2014
(d) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
(e) Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets*	1 July 2014
(f) Amendments to FRS 24 *Related Party Disclosures*	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 *Business Combinations*	1 July 2014
(b) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
Amendments to FRS 16 Property, Plant and Equipment: *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 110 *Consolidated Financial Statements*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 19 *Employee Benefits*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

Except for FRS 109 and FRS 115, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 and FRS 115 are described below.

<u>FRS 109 *Financial Instruments*</u>

FRS 109 *Financial Instruments* replaces FRS 39 *Financial Instruments: Recognition and Measurement*. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the new standard on the required effective date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 ***Standards issued but not yet effective (cont'd)***

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

2.4 ***Basis of consolidation and business combinations***

(a) *Basis of consolidation*

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 *Basis of consolidation and business combinations (cont'd)*

(a) *Basis of consolidation (cont'd)*

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

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations*

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 *Transactions with non-controlling interest*

Non-controlling interest represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Foreign currency*

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

(a) *Transactions and balances*

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

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

(b) *Consolidated financial statements*

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

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences is re-attributed to non-controlling interest and is not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

- Office equipment, computers, furniture and fittings	2 to 5 years
- Renovation	3 to 10 years
- Motor vehicles	5 years

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

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

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

2.8 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as finite.

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

- Computer software	3 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 *Intangible assets (cont'd)*

Software which were acquired separately are amortised on a straight-line basis over their estimated useful lives of 3 years.

Gain or loss arising from de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss when the asset is derecognised.

2.9 *Subsidiaries*

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

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

2.10 *Impairment of non-financial assets*

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

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

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

Subsequent measurement

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

(i) Loans and receivables

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

(ii) Available-for-sale financial assets

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 ***Financial instruments (cont'd)***

(a) *Financial assets (cont'd)*

De-recognition

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

(b) *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 *Impairment of financial assets*

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

(a) *Financial assets carried at amortised cost*

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

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

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

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

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 *Impairment of financial assets (cont'd)*

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

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.13 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits.

2.14 *Inventories*

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 *Provisions*

General

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

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

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Provision for restoration costs

The provision for restoration costs arose on the Group's rental of office and warehouse space. Restoration costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the restoration liability. The unwinding of the discount is expensed as incurred and recognised in profit or loss as a finance cost. The estimated future restoration costs are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

2.16 *Government grants*

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, the government grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented under other income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee is recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantee is recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.18 *Borrowing costs*

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

2.19 *Employee benefits*

(a) *Defined contribution plans*

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

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 *Employee benefits (cont'd)*

(c) *Employee share option plans*

Employees of the Group receive remuneration in the form of share options as consideration for services rendered.

The cost of these equity-settled share based payment with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market condition and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee share option reserve is transferred to retained earnings upon expiry of the share option.

2.20 *Leases*

As lessee

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

2.21 *Discontinued operations*

A component of the Group is classified as a "discontinued operation" when it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

In profit or loss of the current reporting period, and of the comparative period of the previous year, all income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payments and excluding discounts, rebates, and sales taxes or duty.

(a) *Sale of goods*

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Interest income*

Interest income is recognised using the effective interest method.

(c) *Marketing fund income*

Marketing fund income is recognised on an accrual basis upon rendering of services.

2.23 *Taxes*

(a) *Current income tax*

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

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 *Taxes (cont'd)*

(b) *Deferred tax*

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

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

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

(c) *Sales tax*

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

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

2.24 *Share capital and share issuance expenses*

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

2.25 *Contingencies*

A contingent liability is:

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

 (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 (ii) the amount of the obligation cannot be measured with sufficient reliability.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 *Related parties*

A related party is defined as follows:

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

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Group or Company.

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

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) both entities are joint ventures of the same third party;
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) the entity is controlled or jointly controlled by a person identified in (a); and
(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING ESTIMATES

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

Key sources of estimation uncertainty

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

3. SIGNIFICANT ACCOUNTING ESTIMATES (CONT'D)

Key sources of estimation uncertainty (cont'd)

(a) *Deferred tax assets*

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by $3,896,000 (2013: $3,672,000).

(b) *Impairment of non-financial assets*

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The carrying amount of the Company's non-financial assets as at 31 December 2014 is $4,888,000 (2013: $nil). The key assumptions applied in the determination of the recoverable amount are disclosed in Note 16 to the financial statements.

(c) *Impairment of loans and receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 18 to the financial statements. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by $434,000 (2013: $1,046,000).

(d) *Allowance for inventory obsolescence*

The Group assesses periodically the allowance for inventory obsolescence for inventories that are stated at the lower of cost or net realisable value. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an allowance for inventory obsolescence. To determine whether there is objective evidence of obsolescence or decline in net realisable value, the Group compares the net carrying value of the inventory against current market selling price. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 19 to the financial statements.

4. REVENUE

Revenue represents sale of goods supplied to customers less returns and discounts.

5. OTHER OPERATING INCOME

	Group	
	2014 $'000	2013 $'000
		(Restated)
Write back of over-accrual of expenses	–	34
Interest income on bank deposits and receivables	87	98
Marketing fund income	–	80
Write back of allowance for doubtful trade receivables, net	400	–
Service fees	1	1
Net gain on disposal of plant and equipment	15	71
Dividend income from an investee company	–	39
Compensation from third party for business disruption	–	100
Write back of allowance for inventory obsolescence, net	118	–
SME cash grant and PIC pay-out	6	28
Wage Credit Scheme pay-out	5	–
Special Employment Credit pay-out	2	–
Reimbursement from supplier	10	–
Other miscellaneous income	99	65
	743	516

6. OTHER OPERATING EXPENSES

	Group	
	2014 $'000	2013 $'000
		(Restated)
Foreign exchange loss, net	402	397
Allowance for doubtful trade receivables, net	–	499
Allowance for inventory obsolescence	–	384
Other miscellaneous expenses	7	24
	409	1,304

7. FINANCE EXPENSES

	Note	Group	
		2014 $'000	2013 $'000
			(Restated)
Interest expense		9	102
Provision discount adjustment	25	–	(7)
Bank charges		34	47
		43	142

8. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The following items have been included in arriving at loss before tax from continuing operations:

	Note	Group	
		2014 $'000	2013 $'000
			(Restated)
Audit fees:			
- Auditors of the Company		114	111
- Other auditors		79	79
Non-audit fees:			
- Auditors of the Company		24	24
- Other auditors		10	12
Employee benefits expense	12	3,271	4,568
Operating lease expenses		425	614
Amortisation of intangible assets	15	37	26
Depreciation of plant and equipment	14	125	263
Impairment loss on plant and equipment	14	–	464
Plant and equipment written off		21	42

9. INCOME TAX EXPENSE

Major components of income tax expense

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

	Group	
	2014 $'000	2013 $'000
		(Restated)
Consolidated statement of comprehensive income:		
Current income tax		
- Current income tax	4	19
Deferred income tax		
- Reversal of deferred tax assets previously recognised	–	693
Income tax expense recognised in profit or loss	4	712

Relationship between tax expense and loss before tax from continuing operations

The reconciliation between tax expense and the product of loss before tax from continuing operations multiplied by the applicable corporate tax rate for the years ended 31 December 2014 and 2013 are as follows:

	Group	
	2014 $'000	2013 $'000
		(Restated)
Loss before tax from continuing operations	(1,948)	(4,635)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(349)	(1,052)
Adjustments:		
Non-deductible expenses	1,316	179
Deferred tax assets not recognised	322	925
Reversal of deferred tax assets previously recognised	–	693
Income not subject to tax	(1,243)	(33)
Benefits from previously unrecognised tax losses	(63)	–
Others	21	–
Income tax expense	4	712

The above reconciliation is prepared by aggregating separate reconciliations for each jurisdiction.

9. INCOME TAX EXPENSE (CONT'D)

Unrecognised tax losses and capital allowances

At the end of the reporting period, the Group has capital allowances and unrecognised tax losses of approximately $17,836,000 (2013: $16,311,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with the provisions of the tax legislation of the respective countries in which the companies operate.

10. LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX

During the financial years ended 31 December 2014 and 2013, the Group terminated the agreement with its sub-distributors in Indonesia and Philippines respectively. Its subsidiary in Vietnam has ceased its operations during the financial year ended 31 December 2013. These segments are thus discontinued and accordingly, the segment results of discontinued operations for the years ended 31 December are as follows:

Consolidated statement of comprehensive income disclosures

	Group	
	2014 $'000	2013 $'000
		(Restated)
Revenue	424	23,357
Expenses	(4,975)	(25,097)
Loss from operations	(4,551)	(1,740)
Finance expenses	–	(588)
Income tax expense	–	–
Loss from discontinued operations, net of tax	(4,551)	(2,328)

The cash flows attributable to discontinued operation are as follows:

	Group	
	2014 $'000	2013 $'000
Operating	19	(259)
Investing	–	(498)
Net cash outflows	19	(757)

10. LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX (CONT'D)

Loss per share disclosures

	Group	
	2014 $'000	2013 $'000
		(Restated)
Loss per share from discontinued operations attributable to owners of the Company		
Basic (cents)	(0.87)	(0.45)
Diluted (cents)	(0.87)	(0.45)

The basic and diluted loss per share from discontinued operations is calculated by dividing the loss from discontinued operations, net of tax, attributable to owners of the Company by the weighted average number of 523,143,000 ordinary shares.

11. LOSS PER SHARE

(a) ***Continuing operations***

Basic loss per share is calculated by dividing the loss from continuing operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares during the financial year.

Diluted loss per share from continuing operations is calculated by dividing loss from continuing operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the loss and share data used in the computation of basic and diluted loss per share for the years ended 31 December 2014 and 2013:

(i) ***Basic loss per share***

	Group	
	2014	2013
		(Restated)
Loss for the year attributable to owners of the Company ($'000)	(6,335)	(7,675)
Less: Loss from discontinued operation attributable to the owners of the Company ($'000)	4,551	2,328
Loss from continuing operations attributable to owners of the Company used in the computation of basic and diluted loss per share ($'000)	(1,784)	(5,347)
Weighted average number of ordinary shares for basic loss per share computation ('000)	523,143	523,143
Basic loss per share (cents)	(0.34)	(1.02)

11. LOSS PER SHARE (CONT'D)

(a) ***Continuing operations (cont'd)***

(ii) ***Diluted loss per share***

	Group	
	2014	2013
		(Restated)
Weighted average number of ordinary shares for basic loss per share computation ('000)	523,143	523,143
Effects of dilution: - Share options ('000)	–	–
Weighted average number of ordinary shares for diluted loss per share computation ('000)	523,143	523,143
Diluted loss per share (cents)	(0.34)	(1.02)

There were no outstanding share options at 31 December 2014.

At 31 December 2013, 2,600,000 share options granted to employees under the SOS and SOS 2011 have not been included in the calculation of diluted loss per share because they were anti-dilutive.

(b) ***Loss per share***

Basic and diluted loss per share attributable to owners of the Company are calculated by dividing the loss for the year attributable to owners of the Company of $6,335,000 (2013: Loss of $7,675,000) by the weighted average number of 523,143,000 (2013: 523,143,000) ordinary shares.

12. EMPLOYEE BENEFITS EXPENSE

	Group	
	2014 $'000	2013 $'000
		(Restated)
Wages, salaries and bonuses	2,909	4,004
Contributions to defined contribution plan	254	309
Share-based payment expense	9	43
Other short-term benefits	99	212
	3,271	4,568

12. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Share Option Scheme

Under Achieva Limited's Share Option Scheme ("SOS") and Share Option Scheme 2011 ("SOS 2011"), options were granted to certain employees of the Group and directors of the Company. The options were exercisable after the expiration of the first and second anniversaries of the date the options are granted. There were no cash settlement alternatives. These options do not entitle the holder to participate, by virtue of the options, in any share issue of any other corporation.

The SOS and SOS 2011 are effective from 7 May 2001 and 29 April 2011 respectively for a maximum period of 10 years.

Movements of share options during the financial year

The following table illustrates the number (No.) and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2014		2013	
	No. '000	WAEP $	No. '000	WAEP $
			(Restated)	(Restated)
Outstanding at 1 January	2,600	0.063	2,800	0.063
- Forfeited	(2,600)	0.063	(200)	0.050
Outstanding at 31 December	–	–	2,600	0.063
Exercisable at 31 December	–	–	1,550	0.068

- The weighted average fair value of options granted during the financial year was $nil (2013: $nil).
- No option was exercised during the financial year ended 31 December 2014.
- There were no options outstanding at 31 December 2014. The exercise prices for options outstanding at 31 December 2013 ranged from $0.05 to $0.09. The weighted average remaining contractual life for these options was nil (2013: 8.07 years).

13. RELATED PARTY TRANSACTIONS

(a) ***Sale and purchases of goods and services***

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

13. RELATED PARTY TRANSACTIONS (CONT'D)

(a) ***Sale and purchases of goods and services (cont'd)***

	Group	
	2014 $'000	2013 $'000
Transactions with director-related companies		
Sale of goods	–	84
Rental expense	(109)	(389)
Service fees	(61)	–
Freight and handling fees	(42)	–

Director-related companies

The related parties mentioned in the transactions above refer to the subsidiaries of SUTL Global Pte. Ltd., which is a related party of the Group by virtue of certain directors of the Company being directors and shareholders of SUTL Global Pte. Ltd..

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

	Group	
	2014 $'000	2013 $'000
Salaries, bonuses and other costs	1,030	1,798
Employer's contribution to defined contribution plans	72	122
Share-based payment expense	–	39
	1,102	1,959
Comprise amounts paid to:		
Directors of the Company	417	364
Other key management personnel	685	1,595
	1,102	1,959

Key management personnel's interests in the employee share option plan

During the financial year:

- No share options were granted to the key management personnel and no share options were exercised by key management personnel of the Company.

- No share options were granted to the directors of the Company and no share options were exercised by the directors of the Company.

At the end of the reporting period, there were no outstanding options to purchase shares of the Company by key management personnel (2013: 2,600,000).

14. PLANT AND EQUIPMENT

	Office equipment, computers, furniture and fittings $'000	Motor vehicles $'000	Renovation $'000	Total $'000
Group				
Cost:				
At 1 January 2013	2,275	203	523	3,001
Additions	82	–	499	581
Disposals/written-off	(441)	(79)	(76)	(596)
Currency realignment	(120)	(10)	(2)	(132)
At 31 December 2013 and 1 January 2014	1,796	114	944	2,854
Additions	6	–	15	21
Disposals/written-off	(1)	(29)	(26)	(56)
Currency realignment	(31)	(2)	(2)	(35)
At 31 December 2014	1,770	83	931	2,784
Accumulated depreciation and impairment loss:				
At 1 January 2013	1,960	153	400	2,513
Charge for the year	151	10	102	263
Disposals/written-off	(437)	(59)	(34)	(530)
Impairment loss	–	–	464	464
Currency realignment	(94)	(10)	(26)	(130)
At 31 December 2013 and 1 January 2014	1,580	94	906	2,580
Charge for the year	110	5	10	125
Disposals/written-off	(1)	(29)	(5)	(35)
Currency realignment	(29)	(1)	(1)	(31)
At 31 December 2014	1,660	69	910	2,639
Net carrying value:				
At 31 December 2013	216	20	38	274
At 31 December 2014	110	14	21	145

14. PLANT AND EQUIPMENT (CONT'D)

	Office equipment, computer, furniture and fittings $'000	Renovation $'000	Total $'000
Company			
Cost:			
At 1 January 2013	122	–	122
Disposal	(55)	–	(55)
At 31 December 2013, 1 January 2014 and 31 December 2014	67	–	67
Accumulated depreciation:			
At 1 January 2013	122	–	122
Disposal	(55)	–	(55)
At 31 December 2013, 1 January 2014 and 31 December 2014	67	–	67
Net carrying value:			
At 31 December 2013	–	–	–
At 31 December 2014	–	–	–

15 INTANGIBLE ASSETS

	Computer software $'000
Group	
Cost:	
At 1 January 2013	–
Addition	104
Currency realignment	(3)
At 31 December 2013 and 1 January 2014	101
Currency realignment	(1)
At 31 December 2014	100
Accumulated amortisation:	
At 1 January 2013	–
Charge for the year	26
Currency realignment	(1)
At 31 December 2013 and 1 January 2014	25
Charge for the year	37
Currency realignment	(3)
At 31 December 2014	59
Net carrying value:	
At 31 December 2013	76
At 31 December 2014	41

16. INVESTMENT IN SUBSIDIARIES

(a) ***Unquoted equity shares***

	Company	
	2014 $'000	2013 $'000
Unquoted equity shares, at cost	33,956	33,956
Addition	17,104	–
Disposal of non-controlling interest without a change in control	(19,600)	–
	31,460	33,956
Impairment losses	(26,572)	(33,956)
	4,888	–

Movements in allowance for impairment loss on investment in subsidiaries during the financial year are as follows:

At 1 January	33,956	30,107
Addition	571	3,849
Disposal of non-controlling interest without a change in control	(14,355)	–
Reclassified from allowance for doubtful receivables from a subsidiary, as a result of capitalisation of the corresponding balance into share capital of the subsidiary	6,400	–
At 31 December	26,572	33,956

(b) ***Due from subsidiary (non-current) – quasi capital***

	Company	
	2014 $'000	2013 $'000
Due from subsidiary	–	15,582
Impairment losses	–	(6,400)
Net carrying amount (Note 20)	–	9,182

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) ***Due from subsidiary (non-current) – quasi capital (cont'd)***

Movements in allowance for impairment loss on amount due from subsidiary during the financial year are as follows:

	Company	
	2014 $'000	2013 $'000
At 1 January	6,400	–
Addition	–	6,400
Reclassified due to capitalisation of amount due from subsidiary into share capital of the subsidiary (Note 20)	(6,400)	–
	–	6,400

During the financial year ended 31 December 2014, the balance of $15,582,000 owing by Achieva Technology Pte Ltd was capitalised as additional investment in the share capital of the subsidiary.

(c) ***Composition of the Group***

The Group has the following investment in subsidiaries.

	Name (Country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interest		Cost of investments	
			2014	2013	2014 $'000	2013 $'000
	Held by Achieva Limited					
*	Achieva Technology Pte Ltd (Singapore)	Distribution of information technology computer peripherals parts, software and related products	51	100	20,400	22,896
*	Achieva Investments Pte Ltd (Singapore)	Investment holding	100	100	11,060	11,060
					31,460	33,956
	Held through Achieva Technology Pte Ltd					
**	Achieva Technology Sdn. Bhd. (Malaysia)	Distribution of information technology computer peripherals parts, software and related products	100	100	–	–

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) ***Composition of the Group (cont'd)***

	Name (Country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interest		Cost of investments	
			2014	2013	2014 $'000	2013 $'000
	Held through Achieva Technology Pte Ltd (cont'd)					
***	Achieva Technology Australia Pty Ltd (Australia)	Distribution of information technology computer peripherals parts, software and related products	100	100	–	–
#	PT Atikom Mega Protama (Indonesia)	Distribution of information technology computer peripherals, parts, software and related products	–	–	–	–
****	Achieva Technology Vietnam Co., Ltd (Vietnam)	Distribution of information technology computer peripherals, parts, software and related products	100	100	–	–
	Held through Achieva Technology Sdn. Bhd.					
**	Achieva Service Centre Sdn. Bhd. (Malaysia)	Dormant	99	80	–	–
	Held through Achieva Investments Pte Ltd					
##	Achieva Investments (China) Pte Ltd (Singapore)	Investment holding	–	100	–	–
*	Achieva Philippines Pte Ltd (Singapore)	Investment holding	100	100	–	–

* Audited by Ernst & Young LLP, Singapore
** Audited by Ernst & Young, Malaysia
*** Audited by Ernst & Young, Australia
**** In the process of winding up
# This entity is not required to be audited under the laws of the country of incorporation. The Company does not hold shares in this entity. During the year, the directors consider that the Group no longer has full control or authority over all financial and operating policies and activities of the entity.
Struck off during the year

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) ***Interest in subsidiaries with material non-controlling interest (NCI)***

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of Subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit/(loss) allocated to NCI during the reporting period $'000	Accumulated NCI at the end of the reporting period $'000
31 December 2014:				
Achieva Technology Pte Ltd and its subsidiaries	Singapore	49%	(168)	(4,696)

The Group has no subsidiaries that have material NCI as at 31 December 2013.

Significant restrictions:

There was no significant restriction on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests.

(e) ***Summarised financial information about subsidiaries with material NCI***

Summarised financial information including consolidation adjustments but before intercompany elimination of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

	Achieva Technology Pte Ltd and its subsidiaries
	As at 31 December 2014 $'000
Current	
Assets	21,081
Liabilities	(11,932)
Net current assets	9,149
Non-current	
Assets	435
Liabilities	–
Net non-current assets	435
Net assets	9,584

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) ***Summarised financial information about subsidiaries with material NCI (cont'd)***

Summarised statements of comprehensive income

	Achieva Technology Pte Ltd and its subsidiaries
	2014 $'000
Revenue	84,746
Loss before income tax	(2,467)
Income tax expense	(3)
Loss after income tax	(2,470)
Other comprehensive income	(167)
Total comprehensive income	(2,637)

Other summarised information

	Achieva Technology Pte Ltd and its subsidiaries
	2014 $'000
Net cash flows generated from operating activities	3,827
Net cash flows used in financing activities	(6,964)

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

(f) ***Disposal of ownership interest in subsidiary, without loss of control***

On 30 September 2014, the Group disposed of 49% equity interest in Achieva Technology Pte Ltd. Following the disposal, the Group still controls Achieva Technology Pte Ltd, retaining 51% of the ownership interests. The transaction has been accounted for as an equity transaction with non-controlling interest, resulting in:

	2014 $'000
Proceeds from sale of 49% ownership interest	5,075
Net assets attributable to NCI	(4,903)
Premium received on disposal of non-controlling interest, representing increase in equity attributable to parent entity	172

Impairment testing of investment in subsidiaries

During the financial year ended 31 December 2014 and 31 December 2013, management performed an impairment test for the investment in subsidiaries.

Impairment loss of $571,000 (2013: $3,849,000) was recognised for the financial year ended 31 December 2014 to impair investment in Achieva Technology Pte Ltd to its estimated recoverable amount, based on the consideration for disposal of 49% equity interest during the year.

17. OTHER INVESTMENTS

	Group	
	2014 $'000	2013 $'000
Equity shares (unquoted), at cost	–	7

Unquoted shares were stated at cost less impairment as there was no market price and the fair value could not be reliably measured using valuation techniques. The investment was disposed off during the financial year ended 31 December 2014.

18. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000
Non-current:					
Trade receivables		250	–	–	–
Due from an investee company		–	65	–	–
		250	65	–	–
Current:					
Trade receivables		10,890	15,278	–	–
Other receivables		1,562	635	849	3
		12,452	15,913	849	3
Total trade and other receivables		12,702	15,978	849	3
Add:					
Due from subsidiaries	20	–	–	2,300	10,911
Cash and cash equivalents	22	23,457	28,137	20,235	21,740
Less:					
GST receivables		(45)	–	(14)	–
Total loans and receivables		36,114	44,115	23,370	32,654

Trade receivables

Trade receivables are mainly settled within 30 to 90 days. They are recognised at their original invoice amounts which represent their fair value on initial recognition. Trade receivables as at 31 December 2014 are unsecured, non-interest bearing and are to be settled in cash. As at 31 December 2013, trade receivables with gross carrying amount of $10,472,000 was interest bearing at rates ranging from 5% to 6.5% per annum.

Trade receivables denominated in foreign currencies as at 31 December are as follows:

	Group	
	2014 $'000	2013 $'000
Singapore dollars	1,479	159
United States dollars	49	89
	1,528	248

Due from an investee company

This amount was stated at cost, non-trade related, unsecured, non-interest bearing, not repayable within the next twelve months and was to be settled in cash.

18. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $4,343,000 (2013: $10,466,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2014 $'000	2013 $'000
Trade receivables past due but not impaired:		
- Past due less than 90 days	3,985	6,855
- Past due more than 90 days	358	3,611
	4,343	10,466

Trade receivables that are impaired

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

	Group	
	2014 $'000	2013 $'000
Trade receivables (current and non-current)	846	4,743
Less: Allowance for doubtful trade receivables	(846)	(4,149)
Less: Discount adjustment on trade receivables	–	(594)
	–	–
Movements in allowance accounts:		
At 1 January	4,149	1,595
Allowance for the year	1,141	2,699
Write back of allowance for doubtful trade receivables	(416)	(66)
Written off against allowance	(771)	(30)
Reclassified to allowance for doubtful other receivables due to reassignment of receivables balance from a subsidiary to the Company	(3,251)	–
Currency realignment	(6)	(49)
At 31 December	846	4,149

As at 31 December 2014, the Group has carrying amount of trade receivables owing by a debtor in Singapore amounting to $1,224,000 and accounting for 11% of total trade receivables.

As at 31 December 2013, the Group has carrying amount of trade receivables owing by two customers in Philippines and Indonesia amounting to $7,748,000 and accounting for 51% of total trade receivables.

18. TRADE AND OTHER RECEIVABLES (CONT'D)

During the year, a subsidiary entered into an instalment plan with a customer in Malaysia relating to debts owing with gross balance of $740,000. The directors and management have made an assessment of the present value of cash flows from this Malaysian debtor. Consequently, a write-back of allowance for doubtful trade receivables of $340,000 has been credited to the profit and loss.

	Group	
	2014 $'000	2013 $'000
Movements in discount adjustment account:		
At 1 January	594	–
Adjustment for the year	–	587
Reclassified to allowance for doubtful other receivables due to reassignment of receivables balance from a subsidiary to the Company	(594)	
Currency realignment	–	7
At 31 December	–	594

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties, and/or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements, other than debts owing by a customer in Philippines which were secured by a deed of guarantee executed by an individual in favour of the Company due to the reassignment of receivables with a subsidiary. As at 31 December 2013, debts owing by the customer in Philippines were secured by a deed of guaranteed executed by an individual in favour of certain subsidiaries in the Group.

Other receivables

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Other receivables	1,436	462	849	2
Deposits	126	73	–	1
Tax recoverable	–	100	–	–
	1,562	635	849	3

18. TRADE AND OTHER RECEIVABLES (CONT'D)

Other receivables that are impaired

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

	Group	
	2014 $'000	2013 $'000
Other receivables	5,237	–
Less: Allowance for doubtful other receivables	(5,237)	–
	–	–
Movements in allowance accounts:		
At 1 January	–	–
Reclassified from allowance for doubtful trade receivables	3,251	–
Reclassified from trade receivables discount adjustment account	594	–
Allowance for the year	3,319	–
Written off	(2,000)	–
Currency realignment	73	–
At 31 December	5,237	–

During the year, in connection with the disposal of non-controlling interest in a subsidiary, the Company entered into a reassignment agreement with the subsidiary to reassign amount owing by two customers in Philippines and Indonesia to the Company. Accordingly, allowance for doubtful trade receivables and discount adjustment on trade receivables amounting to $3,251,000 (2013: 2,157,000) and $594,000 (2013: $594,000) respectively had been reassigned to the Company and reclassified as Other Receivables. The amount owing by the customer in Philippines is currently under an instalment plan entered into during the year.

19. INVENTORIES

	Group	
	2014 $'000	2013 $'000
Finished goods (at cost or net realisable value)	5,940	4,386

19. INVENTORIES (CONT'D)

	Group	
	2014 $'000	2013 $'000
		(Restated)
Recognised in the statement of comprehensive income (continuing operations):		
- Inventories recognised as an expense in cost of sales	80,636	80,000
- (Write back of)/allowance for inventory obsolescence, net	(118)	384

The write back of allowance for inventory obsolescence was made when the related inventories were sold above their carrying amounts in 2014.

20. DUE FROM SUBSIDIARIES

	Company	
	2014 $'000	2013 $'000
Non-current:		
Due from a subsidiary	–	9,182
Current:		
Due from subsidiaries (non-trade)	2,300	1,729
Due from subsidiaries, total (Note 18)	2,300	10,911

Current amounts are unsecured, non-interest bearing and repayable on demand.

Non-current amounts are stated at cost, unsecured, non-interest bearing, not repayable within the next twelve months and are to be settled in cash. During the financial year, the non-current balance owing from a subsidiary was capitalised as additional investment in the share capital of the subsidiary.

Receivables due from subsidiaries denominated in foreign currency at 31 December are as follows:

	Company	
	2014 $'000	2013 $'000
United States dollars	765	4,861

20. DUE FROM SUBSIDIARIES (CONT'D)

Due from subsidiaries that are impaired

The Company's receivables due from subsidiaries that are impaired at the end of the reporting period and the movements of the allowance for doubtful receivables during the year are as follows:

	Company	
	2014 $'000	2013 $'000
Due from subsidiaries	2,743	17,743
Less: Allowance for doubtful receivables	(443)	(6,832)
	2,300	10,911
Movements in allowance accounts:		
At 1 January	6,832	432
Allowance for the year	11	6,400
Reclassified to allowance for impairment loss on investment in subsidiaries (Note 16b)	(6,400)	–
At 31 December	443	6,832

21. DERIVATIVES

	Group	
	2014 $'000	2013 $'000
Forward currency contracts:		
Derivative assets, representing total financial assets at fair value through profit or loss	–	2

As at 31 December 2013, forward currency contracts were used to hedge foreign currency risk arising from the Group's purchases denominated in USD for which firm commitments existed at the end of the reporting period, extending to January 2014 (Note 30(c)).

The notional/contract amount for these contracts was $1,956,000 as at 31 December 2013.

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following at the end of the reporting period:

	Note	Group		Company	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000
Fixed deposits		12,376	14,621	12,376	14,621
Cash at bank and on hand		11,081	13,516	7,859	7,119
Cash and cash equivalents	18	23,457	28,137	20,235	21,740

Fixed deposits at the end of the reporting period have an average tenure of 4 months (2013: 1.9 months). The effective interest rate of fixed deposits is 0.51% (2013: 0.26%) per annum.

Cash and cash equivalents denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Singapore dollars	552	808	–	–
United States dollars	547	632	234	38
Indonesian rupiah	–	2	–	–
	1,099	1,442	234	38

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade payables	8,730	6,840	–	–
Other payables	466	322	–	9
Total trade and other payables	9,196	7,162	–	9
Add:				
- Accrued operating expenses	931	588	669	262
- Loans and borrowings (Note 24)	–	6,964	–	–
Less:				
- GST payable	(311)	(253)	–	–
Total financial liabilities carried at amortised cost	9,816	14,461	669	271

23. TRADE AND OTHER PAYABLES (CONT'D)

Trade payables

Trade payables are non-interest bearing and are mainly settled within 30 to 60 days (2013: 30 to 60 days).

Trade payables denominated in foreign currencies as at 31 December are as follows:

	Group	
	2014 $'000	2013 $'000
Singapore dollars	–	33
United States dollars	2,670	3,220
	2,670	3,253

24. LOANS AND BORROWINGS

	Group	
	2014 $'000	2013 $'000
Short-term USD bank loans	–	6,964

As at 31 December 2013, the loans and borrowings bear interest ranging from 1.71% to 1.80% per annum with an average tenure of 1 month. Loans and borrowings of $3,095,000 were secured by a corporate guarantee by the Company (Note 28(b)).

25. PROVISIONS

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Provisions:				
Non-current	–	22	–	–
Current	179	270	–	–
	179	292	–	–

25. PROVISIONS (CONT'D)

The nature of the provisions at the end of the reporting period and the movements of the provision accounts are as follows:

	Provision for warranties $'000	Provision for unutilised leave $'000	Provision for restoration costs $'000	Total $'000
Group				
At 1 January 2014	16	242	34	292
- Arose during the financial year	–	63	–	63
- Unused amounts reversed	(16)	(126)	(26)	(168)
- Currency realignment	–	(8)	–	(8)
At 31 December 2014	–	171	8	179
At 1 January 2013	–	441	114	555
- Arose during the financial year	16	90	–	106
- Unused amounts reversed	–	(259)	(76)	(335)
- Reversal discount adjustment	–	–	(7)	(7)
- Currency realignment	–	(30)	3	(27)
At 31 December 2013	16	242	34	292

Provision for warranties

A provision is recognised for expected warranty claims on certain brands sold during the last five years, based on past experience of the level of repairs and returns. It is expected that all of these costs will be incurred in the next three financial years from the end of the reporting period. Assumptions used to calculate the provision for warranties were based on current sales levels and historical trend.

During the financial year, a reversal of warranty provision of $16,000 is recognised based on earlier mentioned statistics and warranty claims experience.

Provision for restoration costs

The provision for restoration costs is the estimated costs to dismantle, remove or restore plant and equipment arising from the return of the leases of rented office and warehouse space to the landlords pursuant to lease agreements. A reversal of provision for restoration cost is recognized due to waiver of restoration by the lessor during the year.

26. SHARE CAPITAL

	Group and Company			
	2014		2013	
	No. of shares ('000)	$'000	No. of shares ('000)	$'000
Issued and fully paid ordinary shares:				
At 1 January and 31 December	523,143	23,395	523,143	23,395

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

The Company has an employee share option scheme as disclosed in Note 12.

27. OTHER RESERVES

(a) ***Share-based compensation reserve***

Share-based compensation reserve represents equity-settled share options granted to employees (Note 12). The reserve is made up of cumulative fair value of services received from employees and is recorded over the vesting period commencing from the grant date of equity-settled share options.

(b) ***Premium received on disposal of non-controlling interest***

Premium received on disposal of non-controlling interest represents the excess of the consideration received on disposal of non-controlling interest in a subsidiary of the Group over the net identifiable assets of the subsidiary (Note 16(f)).

(c) ***Foreign currency translation reserve***

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of operations whose functional currencies are different from that of the Group's presentation currency.

28. CONTINGENT LIABILITIES AND COMMITMENTS

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

The Group has entered into operating lease agreements for rental of office and warehouse space. These non-cancellable leases have lease terms of between one and two years with renewal option. There is no contingent rent provision included in the contracts. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debts or further leasing.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2014 amounted to $425,000 (2013: $828,000).

Future undiscounted minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2014 $'000	2013 $'000
Not later than one year	203	307
Later than one year but not later than five years	63	114
	266	421

(b) ***Contingent liabilities***

Guarantee

The Company has provided a corporate guarantee to a bank in respect of a bank loan of nil (2013: $3,095,000) drawn down by a subsidiary.

29. SEGMENT INFORMATION

For management purposes, the Group is organised into segments based on the geographical location of customers. As at 31 December 2014, the Group has continuing operations in three countries. Each company in the Group is grouped by the key market(s) that each was set up to serve, irrespective of its territory of incorporation or operations. The markets are defined by reference to the billing address rather than the shipping destination of goods. Except for trade receivables by geographical location as disclosed in Note 30 (a), there is no segment assets and liabilities disclosure as the assets and liabilities cannot be proportionately allocated to the customers.

The segment results of continuing and discontinued operations for the year ended 31 December 2014 are as follows:

	Singapore	Malaysia	Australia	Others	Sub-total	Vietnam	Philippines	Indonesia	Sub-total	Total
	(Continuing operations)					(Discontinued operations)				
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2014										
Total revenue from external customers	8,515	37,375	38,432	–	84,322	–	–	424	424	84,746
Results:										
Loss before tax	(1,031)	(74)	(88)	(755)	(1,948)	(135)	(3,319)	(1,097)	(4,551)	(6,499)
Income tax expense	–	–	–	–	(4)	–	–	–	–	(4)
Loss for the year										(6,503)

29. SEGMENT INFORMATION (CONT'D)

During the financial years ended 31 December 2014 and 2013, the Group terminated the agreement with its sub-distributor in Indonesia and Philippines respectively. Its subsidiary in Vietnam has ceased its operations during the financial year ended 31 December 2013. These segments are thus discontinued.

The segment results of continuing and discontinued operations for the year ended 31 December 2013 are as follows:

	Singapore	Malaysia	Australia	Others	Sub-total	Vietnam	Philippines	Indonesia	Sub-total	Total
	(Continuing operations)					(Discontinued operations)				
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2013 (restated)										
Total revenue from external customers	7,245	39,481	36,592	–	83,318	163	18,234	4,960	23,357	106,675
Results:										
Loss before tax	(366)	(606)	(1,712)	(1,951)	(4,635)	(125)	(1,387)	(816)	(2,328)	(6,963)
Income tax expense	–	–	–	–	(712)	–	–	–	–	(712)
Loss for the year										(7,675)

Information about a major customer

Revenue from one customer amounted to $7,735,000 (2013: $18,234,000), arising from sales relating to Malaysia (2013: Philippines) segment.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

(a) ***Credit risk***

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

The Group and the Company ensure that sales of products and provision of services are made to customers with appropriate credit history and have internal mechanisms to monitor the granting of credit and management of credit exposures.

During the financial year, the Group has purchased certain credit insurance to reduce the credit risks from such extension of credits.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Credit risk (cont'd)*

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the customer profile of its trade receivables by geographical region on an ongoing basis. The spread of trade receivables by locations of customers at the end of the reporting period is as follows:

	2014		2013	
	$'000	% of total	$'000	% of total
Philippines	–	–	5,765	38%
Australia	4,028	36%	3,862	25%
Malaysia	4,817	43%	2,664	17%
Indonesia	–	–	1,983	13%
Singapore	2,295	21%	973	6%
Vietnam	–	–	31	1%
	11,140	100%	15,278	100%

As at 31 December 2014, approximately 11% of the Group's trade receivables was due from 1 customer in Singapore. As at 31 December 2013, 51% of the Group's trade receivables were due from 2 customers in Philippines and Indonesia.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Other financial assets that are either past due or impaired are disclosed in Note 18 (Trade and other receivables) and Note 20 (Due from subsidiaries).

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company monitor its liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group and the Company ensure that they have sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

At the end of the reporting period, all of the Group's financial liabilities, including loans and borrowings, mature within one year based on the carrying amount reflected in the financial statements.

The Group assesses the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficient.

Analysis of financial instruments by remaining contractual maturities

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

	Note	2014		2013	
		One year or less $'000	Total $'000	One year or less $'000	Total $'000
Group					
Financial liabilities:					
Trade and other payables		8,885	8,885	6,909	6,909
Accrued operating expenses		931	931	588	588
Loans and borrowings		–	–	6,971	6,971
Total undiscounted financial liabilities		**9,816**	**9,816**	**14,468**	**14,468**
Company					
Financial liabilities:					
Trade and other payables	23	–	–	9	9
Accrued operating expenses		669	669	262	262
Total undiscounted financial liabilities		**669**	**669**	**271**	**271**

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) ***Liquidity risk (cont'd)***

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below shows the maturity profile of the Group's and the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contract is allocated to the earliest period in which the guarantee could be called.

	Company	
	2014 $'000	2013 $'000
Financial guarantee		
- One year or less	–	3,095

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

The Group has transactional currency exposures arising from sales or purchases that are denominated in currencies other than the respective functional currencies of Group entities, primarily United States Dollar ("USD") and SGD.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD and SGD.

The Group is also exposed to currency translation risk arising from its long-term net investments in foreign operations in Malaysia and Australia.

The Group uses forward foreign exchange contracts with settlement period up to two months to manage significant foreign currency exposures arising from normal trading activities (Note 21). The Group does not apply hedge accounting for foreign currency sales and purchases.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) ***Foreign currency risk (cont'd)***

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the USD and SGD exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant.

		Group (Increase)/decrease Loss before tax	
		2014 $'000	2013 $'000
USD	- strengthened 10% (2013: 10%)	(125)	(251)
	- weakened 10% (2013:10%)	125	251
SGD	- strengthened 10% (2013: 10%)	198	84
	- weakened 10% (2013:10%)	(198)	(84)

(d) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the borrowings from and placement of excess funds to banks and other financial institutions in Singapore and overseas.

The Group ensures that it obtains borrowings and places out fixed deposits at competitive interest rates.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD, USD, MYR and AUD interest rates had been 100 (2013: 100) basis points higher/lower with all other variables held constant, the Group's loss before tax would have been $235,000 (2013: $212,000) lower/higher, arising mainly as a result of higher/lower interest income from floating fixed deposits and cash at bank and higher/lower interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

31. FAIR VALUE OF ASSETS AND LIABILITIES

(a) ***Fair value hierarchy***

The Group classifies fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) ***Assets and liabilities measured at fair value***

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Significant observable inputs other than quoted prices, total (Level 2)	
	2014 $'000	2013 $'000
Financial assets (current):		
Derivatives		
- Forward currency contracts	–	2

(c) ***Level 2 fair value measurements***

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation technique is a forward pricing model using present value calculation. The model incorporates various inputs including credit quality of counterparties, foreign exchange spot and forward rates, and forward rate curves.

31. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value are as follows:

		2014		2013	
	Note	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Group					
Financial assets					
(Non-current):					
Due from an investee company	18	–	–	65	**
Equity shares (unquoted), at cost	17	–	–	7	*
Company					
Financial assets					
(Non-current):					
Due from a subsidiary	20	–	–	9,182	**

* *Investment in equity instruments carried at cost (Note 17)*

Fair value information has not been disclosed for the Group's investments in equity instruments that are carried at cost because fair value cannot be measured reliably. These equity investments represent ordinary shares in an entity incorporated in Philippines which acts as the sub-distributor for the Group and is not quoted on any market.

** *Due from a subsidiary (Note 20) and due from an investee company (Note 18)*

Fair value information has not been computed for amounts due from a subsidiary and due from an investee company because fair value cannot be measured reliably. The settlements of these amounts are neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, part of the entity's net investment in the subsidiaries and investee company respectively, they are stated at cost less impairment.

32. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by the sum of capital and net debt. Net debt includes trade and other payables, other liabilities and loans and borrowings less cash and cash equivalents. Capital refers to equity attributable to owners of the Company.

As at 31 December 2014 and 31 December 2013, there is no gearing ratio as the Group is in a net cash position.

33. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 27 March 2015.

STATISTICS OF SHAREHOLDINGS

As At 17 March 2015

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	3	0.08	93	0.00
100 – 1,000	269	7.66	267,989	0.05
1,001 - 10,000	1,121	31.90	6,606,450	1.26
10,001 - 1,000,000	2,075	59.05	198,079,820	37.87
1,000,001 and above	46	1.31	318,188,344	60.82
Total	**3,514**	**100.00**	**523,142,696**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	SUTL GLOBAL PTE LTD	121,478,009	23.22
2	HONG LEONG FINANCE NOMINEES PTE LTD	21,403,000	4.09
3	OCBC SECURITIES PRIVATE LIMITED	17,930,211	3.43
4	UOB KAY HIAN PRIVATE LIMITED	9,432,000	1.80
5	SUTL CORPORATION PTE LTD	9,339,000	1.79
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	8,520,000	1.63
7	PHILLIP SECURITIES PTE LTD	7,577,950	1.45
8	LO JU JIE	7,385,815	1.41
9	EE HOCK LEONG LAWRENCE	6,366,000	1.22
10	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	6,206,000	1.19
11	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	5,678,000	1.09
12	NG CHEE SENG	5,668,116	1.08
13	CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,587,797	1.07
14	CHAI CHEE KENG	5,550,000	1.06
15	DBS NOMINEES (PRIVATE) LIMITED	5,449,100	1.04
16	ANG KONG MENG	5,240,800	1.00
17	CHOAH LEONG YEW	5,216,000	1.00
18	YU MAN-LI	4,180,000	0.80
19	RAFFLES NOMINEES (PTE) LIMITED	4,131,000	0.79
20	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,942,000	0.75
	Total	**266,280,798**	**50.91**

STATISTICS OF SHAREHOLDINGS

As At 17 March 2015

SUBSTANTIAL SHAREHOLDERS

No	Name	Beneficial interest No. of shares	%	Deemed interest No. of shares	%
1.	SUTL Global Pte. Ltd. [(a)]	122,974,009	23.50	9,339,000	1.79
2.	Tay Teng Guan Arthur [(b)]	0	0	132,313,009	25.29

[(a)] The deemed interest of SUTL Global Pte. Ltd. arises out of the shares held by SUTL Corporation Pte Ltd.

[(b)] The deemed interest of Tay Teng Guan Arthur arises by virtue of his direct interest of approximately 51% in the issued and paid up capital of SUTL Global Pte. Ltd.

Percentage of Shareholding in public hands

74.71% of the total number of issued ordinary shares capital of the Company is held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

ACHIEVA LIMITED
(Company No: 199307251M)
(Incorporated in the Republic of Singapore)

Notice is hereby given that the Twenty-First Annual General Meeting of Achieva Limited will be held at #06-00, 100J Pasir Panjang Road, SUTL House, Singapore 118525, on 30 April 2015 at 3.00 p.m. for the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31 December 2014. **(Resolution 1)**

2. To approve the payment of Directors' Fees of S$233,000 for the year ended 31 December 2014. **(Resolution 2)**

3. To re-elect Mr. Ng Teck Sim Colin as Director retiring under Article 104 of the Articles of Association of the Company. **(Resolution 3)**

4. To re-elect Mr. Lew Syn Pau as Director retiring under Article 104 of the Articles of Association of the Company. **(Resolution 4)**

5. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 5)**

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following Resolutions with or without any modification as Ordinary Resolutions:

   (a) "That pursuant to and subject to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to issue shares in the capital of the Company and convertible securities that might or would require new shares in the capital of the Company to be issued including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares (whether by way of rights, bonus or otherwise or in pursuance of any offer, agreement or option made or granted by the Directors during the continuance of this authority which would or might require shares or convertible securities to be issued during the continuance of this authority or thereafter) at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit (notwithstanding that such issue of shares pursuant to the offer, agreement or option or the conversion of the convertible securities may occur after the expiration of the authority contained in this Resolution), provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued shares of the Company excluding any treasury shares ("Issued Shares"), and provided further that where shareholders of the Company with registered addresses in Singapore are not given an opportunity to participate in the same on a pro-rata basis, then the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed twenty per cent (20%) of the Issued Shares, and for the purpose of this Resolution, the percentage of Issued Shares shall be based on the Company's issued share capital 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 the Listing Manual of the SGX-ST and (c) any subsequent consolidation or subdivision of shares), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier."

(Resolution 6)

(b) "That authority be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Achieva Limited Share Option Scheme 2011 (the "Option Scheme") approved by Shareholders in general meeting on 29 April 2011 as may be amended from time to time, 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 Company as may be required to be issued pursuant to the exercise of the options under the Option Scheme (notwithstanding that such allotment and issue may occur after the conclusion of the next or any ensuing Annual General Meeting of the Company), provided always that the aggregate number of shares to be issued pursuant to the Option Scheme, when added to (a) the aggregate number of shares issued or issuable in respect of any other share based schemes of the Company (if any) and (b) the number of treasury shares delivered in respect of the options granted under all the other share-based incentive schemes of the Company (if any), shall not exceed fifteen per cent (15%) of the issued shares (excluding treasury shares) of the Company."

(Resolution 7)

(c) "That the Directors be and are hereby authorised to make purchases (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of ordinary shares representing up to ten per cent. (10%) of the total number of issued ordinary shares in the capital of the Company (excluding any ordinary shares held as treasury shares) as at the date of the last Annual General Meeting or the date of this Resolution, whichever is the higher, unless the Company has effected a reduction of the share capital of the Company in which event the issued ordinary shares of the Company shall be taken to be the number of the issued ordinary shares of the Company as altered (excluding any ordinary shares held as treasury shares), at the price of up to but not exceeding the Maximum Price (as defined in the Company's Addendum to Shareholders dated 10 April 2015 (being an addendum to the Annual Report of the Company for the financial year ended 31 December 2014) (the "Addendum"), in accordance with the "Guidelines on Share Purchases" set out in the Appendix on pages 19 to 22 of the Addendum, and this mandate shall commence from the date of passing of this Resolution and expire at the earliest of (a) the date on which the next Annual General Meeting of the Company is or is required by law to be held, whichever is the earlier; (b) the date on which the purchases or acquisitions of shares pursuant to the Share Purchase Mandate are carried out to the full extent authorised under the Share Purchase Mandate; or (c) the effective date on which the authority conferred in the Share Purchase Mandate is varied (as to the duration of the Share Purchase Mandate) or revoked by the Shareholders in general meeting."

(Resolution 8)

(d) "That

(i) approval be and is hereby given for the Company and its Subsidiaries or any of them to enter into any of the transactions falling within the categories of interested person transactions described in the Addendum with any party who is of the class or classes of interested persons described in the Addendum, provided that such transactions are made on normal commercial terms in accordance with the guidelines and procedures for review and administration of the interested person transactions as described in the Addendum (the "IPT Mandate");

(ii) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next Annual General Meeting of the Company;

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

(iv) authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient, necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution."

(Resolution 9)

7. Any other ordinary business, which may be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Adrian Chan Pengee
Company Secretary
10 April 2015

NOTES:

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

Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.

The instrument appointing a proxy must be deposited at the registered office of the Company not less than 48 hours before the time appointed for holding the Meeting.

If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

EXPLANATORY NOTES:

Resolution 2

Resolution 2 above is to seek approval for the payment of S$233,000 as Directors' Fees to the Independent Director as well as the other Directors on the board for the financial year ended 31 December 2014. The Directors' Fees for the financial year ended 31 December 2013 was S$183,000 for the Independent Directors as well as the other Directors on the board.

Resolution 3

Mr. Ng Teck Sim Colin, Independent Director of the Company, if re-elected will also remain as Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee.

Resolution 4

Mr. Lew Syn Pau, the Chairman (Non-Executive) and Independent Director of the Company, if re-elected, will also remain as Chairman of the Audit Committee and Remuneration Committee, and member of the Nominating Committee.

Resolution 6

Resolution 6 above, if passed, empowers the Directors, from the date of the above Meeting until the next Annual General Meeting, to allot and issue shares and convertible securities in the Company, without seeking any further approval from Shareholders in general meeting but within the limitation imposed by the Resolution.

Resolution 7

Resolution 7 above, if passed, empowers the Directors to offer and grant options and to issue shares in connection with the Option Scheme. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier. This authority is in addition to the general authority to issue shares sought under Resolution 6.

Resolution 8

Resolution 8 above, if passed, empowers the Directors of the Company to make purchases (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of up to ten per cent. (10%) of the total number of issued ordinary shares in the capital of the Company (excluding any ordinary shares held as treasury shares) as at the date of the last Annual General Meeting or the date of the Resolution, whichever is the higher, unless the Company has effected a reduction of the share capital of the Company in which event the issued ordinary shares of the Company shall be taken to be the number of the issued ordinary shares of the Company as altered (excluding any ordinary shares held as treasury shares), at a price up to but not exceeding the Maximum Price (as defined in the Addendum) (the "Share Purchase Mandate").

Please refer to the Addendum for the rationale for the Share Purchase Mandate, the source of funds to be used for the Share Purchase Mandate (including the amount of financing), the impact of the Share Purchase Mandate on the Company's financial position, the implications arising as a result of the Share Purchase Mandate under the Singapore Code on Take-overs and Mergers and on the listing of the Company's Shares on the SGX-ST, the number of Shares purchased by the Company in the previous twelve (12) months, as well as whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

Resolution 9

Resolution 9, if passed, will renew the IPT Mandate first given by the Shareholders at the Company's Extraordinary General Meeting held on 29 April 2011 ("EGM") to allow the Company, and its subsidiaries and associated companies or any of them to enter into interested person transactions (details of which are set out in the Addendum).

The Company's Audit Committee has confirmed (pursuant to Rule 920(1) of the Listing Manual of the SGX-ST) that the methods or review procedures set out in the Addendum for determining the transaction prices in respect of the interested person transactions have not changed since the Shareholders' approval at the previous Annual General Meeting held on 24 April 2014.

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

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ACHIEVA LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199307251M)

PROXY FORM

Annual General Meeting

IMPORTANT
1. For investors who have used their CPF monies to buy Achieva Limited shares, this Annual Report is sent to them at the request of their CPF Approved Nominees.
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.

I/We ____ (Name)

of ____ (Address)

being a *Member / Members of Achieva Limited (the "**Company**") hereby appoint:-

Name	Address	NRIC/Passport Number	Proportion of Shareholding (if more than one (1) proxy is appointed)	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholding (if more than one (1) proxy is appointed)	
			No. of Shares	%

or failing *him/them the Chairman of the Annual General Meeting as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf and, if necessary, to demand a poll at the Twenty-First Annual General Meeting of the Company to be held at #06-00, 100J Pasir Panjang Road, SUTL House, Singapore 118525, on 30 April 2015 at 3:00 p.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the *proxy/proxies may vote or abstain as *he/they may think fit on any matter arising at the Annual General Meeting.)

No.	Resolution	For*	Against*
1	Adoption of Directors' Report and Audited Accounts		
2	Approval of Directors' fees		
3	Re-election of Director – Mr. Ng Teck Sim Colin		
4	Re-election of Director – Mr. Lew Syn Pau		
5	Re-appointment of auditors		
6	Authority to issue and allot shares pursuant to Section 161 of the Companies Act, Cap. 50		
7	Authority to offer and grant options in accordance with the Achieva Limited Share Option Scheme 2011		
8	Authority to purchase shares pursuant to the Share Purchase Mandate		
9	Authority to enter into interested person transactions pursuant to the Interested Person Transactions Mandate.		

Dated this ________________ day of ________________ 2015.

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM
* delete as appropriate.

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/her stead. Such proxy need not be a Member of the Company.

2. Where a Member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

3. This instrument appointing a proxy or proxies must be signed by the appointor or his/her duly authorised attorney. Where this instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

4. A Member which is a body corporate may also appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50, to attend and vote for and on behalf of such body corporate.

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

6. This instrument appointing a proxy or proxies, duly executed, must be deposited at the Registered Office of the Company at #05-00, 100J Pasir Panjang Road, SUTL House, Singapore 118525 at least 48 hours before the time fixed for holding the meeting.

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

General

The Company shall be entitled to reject this instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on this instrument appointing a proxy or proxies. In addition, in the case of Members whose shares are deposited with The Central Depository (Pte) Limited ("**CDP**"), 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 meeting as certified by CDP to the Company.

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

ACHIEVA
GROUP OF COMPANIES

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