PURVEYING

FINE BRANDS

BENTLEY HOME @ MARQUIS

NOBEL DESIGN HOLDINGS LTD

ANNUAL REPORT 2015

CONTENTS

CHAIRMAN'S STATEMENT

SEYMOUR BY MINOTTI

"THERE ARE SOME THINGS YOU LEARN BEST IN CALM, AND SOME IN STORM."

American author, Willa Cather (1915)

Dear Valued Shareholders,

2016 is shaping up to be a challenging year for the global economy. The tepid recovery of Europe and the rebalancing of China's economy will continue to have an impact on consumer sentiment here and overseas.

I anticipate that the weak economic outlook and the subsequent dampening of consumer sentiment are going to weigh upon our efforts to grow our businesses and deliver greater value to you.

However, I am heartened by the wealth of experience of the management team which has encountered many crises over the years and has grown resilient to tough market conditions.

Additionally, we continue to take on board new and younger staff that contributes new and exciting ideas which enables us to continue developing our businesses and target new market segments.

This year, we are exploring the greater use of digital media to reach out to a new breed of consumers that were born into the digital age, while at the same time we work ever harder to build better relationships with our existing customers.

Our experienced staff will guide our new team members brave the stormy weather ahead, and I am confident that the management team and our dedicated employees will be able to weather the storm as we continue to build a stronger organisation that will be nimble and agile in a world that continues to be volatile.

Note of Appreciation

I am privileged to be working with an organisation that continues to reinvent itself through cycles of prosperity and adversity. The trust given to me by my fellow directors and shareholders is a constant source of pride.

My team and I will safeguard shareholders' value through this challenging period and together with everyone at Nobel Design I am sure that we will emerge a better company.

Adrian Chan
Chairman

CEO'S STATEMENT

Growth in Revenue in 2015

2015 was another year of revenue growth for the Group. Revenue in the financial year ended 31 December 2015 (FY2015) was $84.69 million, an increase of 9% from $77.70 million in the financial year ended 31 December 2014 (FY2014).

The Group's net profit for FY2015 decreased to $18.14 million from $23.10 million a year ago. The decrease was due to lower profit recognition for our property development joint ventures. Our operating divisions in furniture retail and interior design, supply chain and distribution and property development contributed positively to the Group's financial performance.

Furniture Retail and Interior Design

Our retail divisions shall be devoting more resources to develop our presence on the Internet to address the shift of media consumption patterns of our customers in 2016.

The volatility in global markets coupled with the cooling measures on property in Singapore has dampened buying sentiments of our consumers and we are seeing a general lack of willingness to spend. However, we are hopeful that the record number of condominium and HDB flat completions in 2016 will drive demand for the retail market.

The slowdown in the high end furniture market segment in 2015 mirrors the dismal performance in the luxury property market. Nevertheless, Marquis will be re-launching a revamped MisuraEmme showroom in 2016 and we shall be inviting the world renowned designer Mauro Lipparini to introduce his designs to the interior designers and architects in Singapore. Marquis' investment in this newly fitted out showroom reflects our commitment to the long term growth of this market segment.

OM's focus for 2016 will be developing a stronger presence in the digital world and to take back the initiative from web-based furniture retailers. OM's 17 years in the local market will give us an edge over the digital start-ups.

SuMisura, our interior design division, will be focusing more of its efforts on the end-user market in this coming year while still retaining its very strong relationships with property developers.

Our furniture supply and interior design divisions continue to successfully develop opportunities in Malaysia.

USA Supply Chain

The sustained recovery of the US market and our strong management team in the US continues to drive our supply chain business and Buylateral Group grew revenues by a dramatic 31% in 2016. The investments made by Buylateral to capitalise on the US growth story are paying off and will continue to contribute significantly to the Group's financial performance.

Hotel Investment

Our first hotel investment - the 298-room Ibis Styles at Macpherson, under LVND Hotels, where we have a 25% shareholding - will open in April 2016. Amidst a backdrop of declining visitorships into Singapore and a projected significant increase in the number of hotel rooms in Singapore, our immediate goals are to optimise our room and occupancy rates to achieve profitability and stabilise the yield for the longer term. This investment will create a recurring income stream for the Group.

Property Development

We have always been prudent with our investments in property development and we shall be patient in the face of the volatile market conditions.

We have sold 6 units out of a total of 27 units at Surin Residences and more than half of our 142 units in our investment in Marine Wharf East in London. Also, we have sold 70% of the retail units at Macpherson Mall.

Corporate Social Responsibility

As part of our efforts to give back to the community, we brought a group of underprivileged children to the River Safari in June 2015. These children under the care of the Children's Society spent a great afternoon at the zoo and I am happy to report that my team and I enjoyed our time with them as well.

Conclusion

My team and I shall continue to do our best. I give thanks to my colleagues, the board of directors, shareholders and business partners for their continued backing.

Terence Goon
Group CEO and
Group Managing Director

BOARD OF DIRECTORS

MR. CHAN PENGEE ADRIAN
Non-Executive Chairman and Independent Director

Mr. Adrian Chan was appointed to the Board on 24 June 2013. Adrian is the Non-Executive Chairman of the Board and the Chairman of the Nominating Committee. Adrian is also a member of the Audit Committee and Remuneration Committee.

He is the Head of the Corporate Department and a Senior Partner at the law firm, Lee & Lee. He serves on the board of the Accounting and Corporate Regulatory Authority of Singapore (ACRA) and chairs its Institute of Corporate Law Panel. He serves on the Executive Council of the Association of Small and Medium Enterprises as its Honorary Secretary, the Corporate Governance and Regulations Committee of the Singapore International Chamber of Commerce and was the First Vice-Chairman of the Singapore Institute of Directors.

He is a director of Hogan Lovells Lee & Lee, the joint law venture between Lee & Lee and the international law firm, Hogan Lovells, and is an independent director on the Boards of Biosensors International Group Ltd, Hong Fok Corporation Ltd, Ascendas Funds Management (S) Ltd, Global Investments Ltd and Yoma Strategic Holdings Ltd, all of which are listed on the Singapore Exchange (SGX). He also serves on the board of the charity, Shared Services for Charities Limited, the Ethics Review Committee of the Singapore Polytechnic and has been appointed by the SGX onto its Catalist Advisory Panel.

He is the Chairman of the Corporate Practice Committee of the Law Society of Singapore and was appointed to the Audit Committee Guidance Committee, established by the MAS, ACRA and the SGX.

MR. GOON EU JIN TERENCE
Group CEO and Group Managing Director

Mr. Terence Goon is the Group CEO and Group Managing Director. Apart from overseeing the daily operations of the Group, his responsibilities include corporate planning, strategic planning and business development, and the management of functional areas including finance, investor relations, human resources and marketing communications. He is also the Chief Executive Officer of Buylateral Group, the Group's supply chain management, sourcing and distribution of furniture for the USA market. Mr. Goon also spearheads the Group's property development division. Mr. Goon graduated with a Bachelor of Accountancy (2nd Class Honors) from the National University of Singapore and was formerly with the Economic Development Board and Arthur Andersen.

MS. WEE AI QUEY
Chief Operating Officer and Executive Director

Ms. Wee Ai Quey, a co-founding member of the Group, is the Group's Executive Director. Ms. Wee is responsible for the marketing, sourcing, operations and brand development of the Group's imported furniture business. With over 25 years' experience in interior design and furniture retail business, Ms. Wee is the driving force behind the Group's success in the luxury furniture business


GALLOTI & RADICE

and is responsible for the management of Marquis Furniture Gallery Pte Ltd which carries the following brands Minotti, Porada, Meridiani, MisuraEmme, Cierre, Visionnaire and Lifestorey.

DR. TEH BAN LIAN

Independent and Non-Executive Director

Dr. Teh Ban Lian is an Independent and Non-Executive Director of the Company since 13 June 2005 and is the chairman of the Risk Management Sub-Committee and a member of the Audit Committee and Nominating Committee.

Dr. Teh has been holding senior corporate executive position for over thirty years. He last served as Vice-Chairman of Chesterton International Property Consultants Pte Ltd. Amongst his previous other appointments, he was the Managing Director of Emporium Group, Executive Director of China Everbright Ltd and a former Independent Director of Japan Land Ltd. He is a past President of the Singapore Retailers Association for eight years.

Dr. Teh holds a PhD. (Bus. Admin.) (Hon) from an American university and was nominated in 'Who's Who of the Asian Pacific Rim' – 1999/2000 International Edition by Barons, USA. Dr. Teh was conferred the Public Service Medal – PBM (Pingat Bakti Masyarakat) National Day Awards in 2003.

MR. HENG CHYE YAM

Independent and Non-Executive Director

Mr. Heng Chye Yam is an Independent and Non-Executive Director of the Company since 26 April 2005 and is the chairman of the Remuneration Committee. Mr. Heng is also a member of the Audit Committee and Risk Management Sub-Committee. Mr. Heng is presently the Managing Director of Metalwood Pte Ltd. Mr. Heng holds an MBA from the University of Hull, Graduate Diploma in both Marketing and Personnel Management and a Bachelor of Science (Hons) in Computer Science.

MR. WONG SOON CHIU

Independent and Non-Executive Director

Mr. Wong Soon Chiu is a Non-Executive Director of the Company since 08 January 2003 and is re-designated to an Independent and Non-Executive Director on 25 February 2014. Mr. Wong is the chairman of the Audit Committee. Mr. Wong holds an MBA from Brunel University of Reading. He is a Fellow member of the Association of International Accountants of UK, and an Associate of the Institute of Secretaries and Administrators, UK and a Fellow member of the Association of Taxation and Management Accountants, Australia.

MR. CHAN KUM LEONG

Non-Executive Director

Mr. Chan Kum Leong is a Chartered Accountant and an Associate Member of the Institute of Chartered Accountants of England and Wales. He joined the Board on 21 June 2012 and is a member of the Remuneration Committee and also a member of the Risk Management Sub-Committee. He was the Group Financial Controller of the Lian Huat Group – a substantial shareholder of the Company.

MS. ONG CIU HWA

Executive Director

Ms. Ong Ciu Hwa joined the company in 2004 as the Finance Manager of the Company and is responsible for the Group financial reporting and accounting function, taxation, banking, and administration matters. She is a Chartered Accountant and has over 10 years accounting and finance experience.


IDP

KEY MANAGEMENT


MISURAEMME

MR. MIKE CHUA SEOW CHANG
Director, Numero Uno Creative Group Pte Ltd

Mr. Chua joined the Company in 1987. He is currently a director of Numero Uno Creative Group Pte Ltd. He is responsible for directing business operations, implementing marketing strategies, and managing the day-to-day operations of the company. With over 25 years' experience, he provides his team members with strong leadership and deep knowledge in residential design and build projects.

MR. ROLAND TOH POH SOON
General Manager, Momentum Creations Pte Ltd

Mr. Toh joined the Company in 1989. He is the General Manager of Momentum Creations Pte Ltd. He is responsible for the implementation of marketing strategies, sales and project management and day-to-day operations.

MS. FOO KIM SOON
Director and General Manager, Marquis HQO Pte Ltd

Ms. Foo has been in the hospitality and commercial sector since 1988 and holds an Advanced Diploma in International Marketing and Building Management and Maintenance. Her responsibilities include business development and new product sourcing for the company. She is actively involved in direct sales, marketing and project management for the overall businesses within Marquis HQO Pte Ltd.

MS. SHARON WU PUI SEE
Director and General Manager, Marquis HQO Pte Ltd

Ms. Wu is responsible for directing business operations, implementing marketing strategies, and managing the day-to-day operations of the company. She is an industry veteran with over 15 years' experience in the industry. Ms. Wu joined the Company in 2001 as Marketing Manager of Marquis HQO Pte Ltd, and has a Bachelor of Commerce and Management from Lincoln University, New Zealand.

MS. JUDY TAN SIEW BENG
Assistant General Manager, Momentum Creations Pte Ltd

Ms. Tan joined the company in 2007. She is the Assistant General Manager of Momentum Creations Pte Ltd. Her responsibilities include business development, new product sourcing for the company and day-to-day operations of the logistic department.

MR. BEN HOW TI BENG
Retail Manager, Momentum Creations Pte Ltd

Mr. How is responsible for the merchandising, showroom and retails sales management for Momentum Creations Pte Ltd. Mr. How graduated with a Bachelor of Business Administration (2nd Class Honors) from the National University of Singapore.

MS. RACHEL FOONG SU MIN
General Manager, Marquis Furniture Gallery Pte Ltd

Ms. Foong is responsible for the business operations and development, marketing and brand building of Lifestorey and Marquis Studio. She has past experience in branding and business development in a regional capacity. She joined the company in 2012 as the Group Marketing Communications and Business Development Manager before moving into her current role, and has a Bachelor of Science in Business Management Studies from Bradford University, United Kingdom.

MS. FRANCES LEE WOON YEONG
President, Buylateral Group Pte Ltd and Target Marketing Systems, Inc.

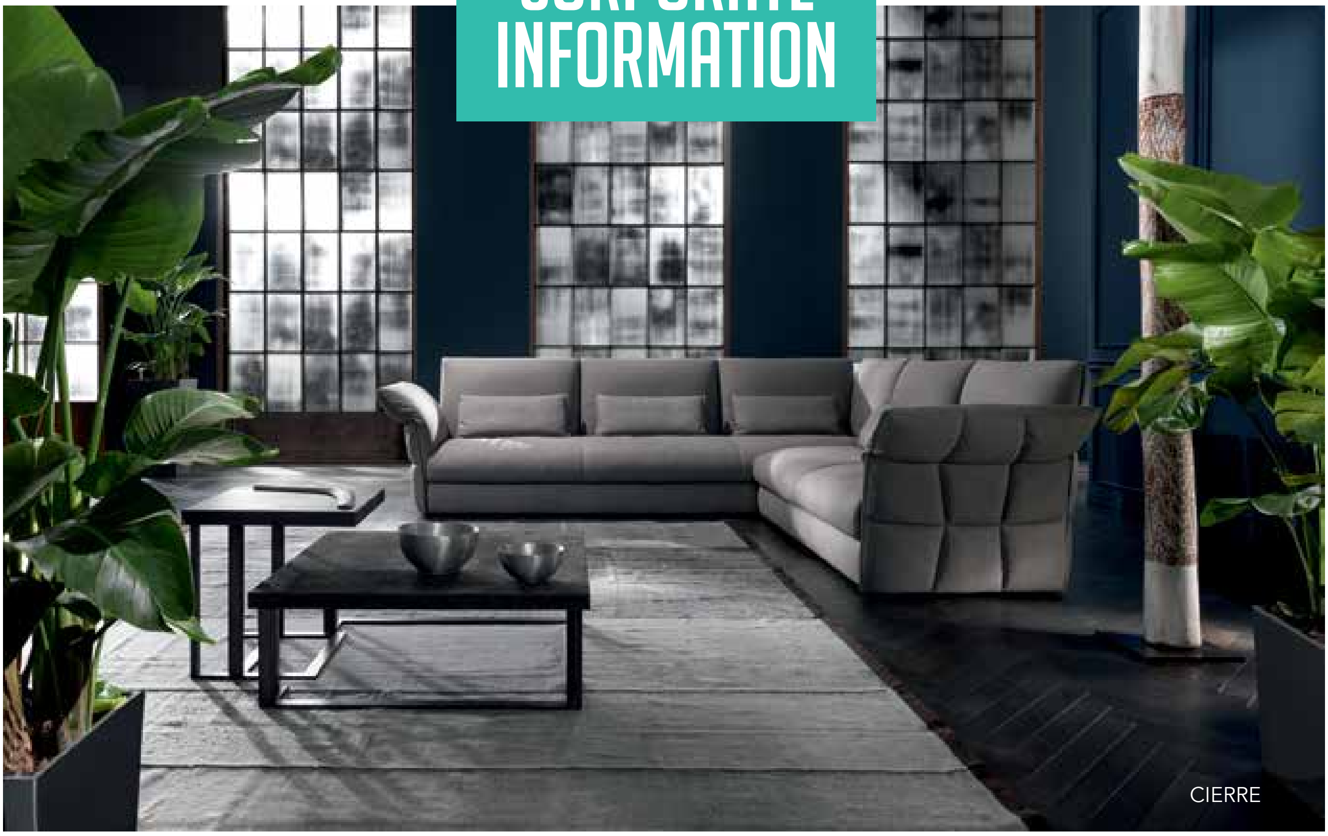
Ms. Lee joined the company in 2003. She is the President of Buylateral Group Pte Ltd and Target Marketing Systems, Inc. She is responsible for directing business operations, overall management, implementation of marketing strategies and the day-to-day operations of the companies.

GROUP STRUCTURE AND ACTIVITIES

COMPANIES	PRINCIPAL ACTIVITIES	% OF EFFECTIVE OWNERSHIP
NOBEL DESIGN HOLDINGS LTD	**Holding Company and Corporate** Senior Management, Human Resources, Sales and Marketing, Marketing and Communication, Finance and Administrative functions.	
NUMERO UNO CREATIVE GROUP PTE LTD	Interior design and renovation services for homes, supply and installation of custom-made furniture and fittings, turnkey projects and project management.	80%
MARQUIS FURNITURE GALLERY PTE LTD	Retail of upmarket European furniture and accessories to end-users and specifier market. Provide homestyling services and retail soft furnishing products.	100%
MARQUIS HQO PTE LTD (1)	Supplies furniture to hotels, service apartments, clubs, restaurants, showflats, offices and homes.	90%
BOSS DESIGN INTERNATIONAL PTE LTD (5)	Provides corporate interior design and contract services for offices and retail outlets.	100%
MOMENTUM CREATIONS PTE LTD	Retailers of designer furniture.	84.20%
HOME2BE PTE LTD (5)	Retailing furniture and household accessories.	75.20%
BUYLATERAL GROUP PTE LTD	Sourcing and supply chain management of furniture, accessories and fabric and furnishings for the USA market.	73.15%
NOBEL PROJECTS PTE LTD (5)	Supply of wardrobe, kitchen and other wooden joinery fittings for tender doors and office desks.	65%
TARGET MARKETING SYSTEMS, INC. (2)	Trading and distribution on an e-commerce platform for furniture, accessories, fabric and furnishings for the business-to-business (B2B) market.	73.15%
BUYLATERAL.COM (M) SDN BHD (2)	Engaged in wholesaling and internet retail of furniture, accessories, fabric and furnishings.	73.15%
NOBEL DESIGN HOUSE (M) SDN BHD	Total interior design and renovation for homes, supply and installation of custom-made furniture and fittings and project management coordination.	100%
SENI REKA NOBEL SDN BHD (5)	Supply of furniture, decoration accessories and interior design contract services.	100%
NOBEL REKA CIPTA SDN BHD	Interior design contractors.	100%
NOBEL DESIGN SDN BHD (BRUNEI)	Provides total interior design and renovation services for homes, offices and commercial projects, supply and installation for custom-made furniture and project management.	52%
AFFLUENT APEX LTD	Investment holdings.	100%
ASTRID HILL RESIDENCES PTE LTD	Property development.	28.75%
URBAN LOFTS PTE LTD	Property development.	35%
LVND HOMES PTE LTD	Property development.	25%
ALLIANCE LAND PTE LTD	Property development.	25%
LVND HOLDINGS PTE LTD	Investment holdings.	25%
LVND INVESTMENTS PTE LTD (4)	Property development.	25%
LVND HOTELS PTE LTD (4)	Hotel management consultancy services.	25%
LVND MANAGEMENT SERVICES PTE LTD (4)	Management services.	25%
COVE CITY LTD (3)	Investment holdings.	25%
ALLIANCE STELLAR LTD (3)	Investment holdings.	25%
COVENT GARDEN DEVELOPMENT PTE LTD	Property development in United Kingdom.	40%
ENGLISH ROSE ESTATES (TS HOLDINGS) LTD (6)	Property development in United Kingdom.	20%
ENGLISH ROSE ESTATES (TOWER STREET) LTD (7)	Property development in United Kingdom.	20%

(1) Marquis HQO Pte Ltd is a 90% owned subsidiary of Marquis Furniture Gallery Pte Ltd.
(2) Target Marketing Systems, Inc. and Buylateral.Com (M) Sdn Bhd are 100% owned subsidiaries of Buylateral Group Pte Ltd.
(3) Cove City Ltd and Alliance Stellar Ltd are 25% associated companies of Affluent Apex Ltd.
(4) LVND Investments Pte Ltd, LVND Hotels Pte Ltd and LVND Management Services Pte Ltd are 100% owned subsidiaries of LVND Holdings Pte Ltd.
(5) This company is presently dormant.
(6) English Rose Estates (TS Holdings) Ltd is a 50% joint venture of Covent Garden Development Pte Ltd.
(7) English Rose Estates (Tower Street) Ltd is a 100% owned subsidiary of English Rose Estates (TS Holdings) Ltd.

CORPORATE INFORMATION



Board of Directors

Chan Pengee Adrian
Non-Executive Chairman
and Independent Director

Goon Eu Jin Terence
Group Chief Executive Officer
and Group Managing Director

Wee Ai Quey
Chief Operating Officer
and Executive Director

Dr. Teh Ban Lian
Non-Executive and Independent
Director

Heng Chye Yam
Non-Executive and Independent
Director

Wong Soon Chiu
Non-Executive and Independent
Director

Chan Kum Leong
Non-Executive Director

Ong Ciu Hwa
Executive Director

Audit Committee
Wong Soon Chiu (Chairman)
Dr. Teh Ban Lian (Member)
Chan Pengee Adrian (Member)
Heng Chye Yam (Member)

Remuneration Committee
Heng Chye Yam (Chairman)
Chan Pengee Adrian (Member)
Chan Kum Leong (Member)

Nominating Committee
Chan Pengee Adrian (Chairman)
Dr. Teh Ban Lian (Member)
Goon Eu Jin Terence (Member)

Risk Management Sub-Committee (under the Audit Committee)
Dr. Teh Ban Lian (Chairman)
Chan Kum Leong (Member)
Heng Chye Yam (Member)
Ong Ciu Hwa (Member)

Company Secretary
Lee Bee Fong

Auditors
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: Eleanor Lee Kim Lin
Date of Appointment:
Since financial year 31 December 2015

Registrar and Share Registration Office
Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #11-02
Singapore 068898

Registered Office
16 Tai Seng Street, #07-09
Singapore 534138
Tel No: 65 6383 2222
Fax No: 65 6383 0115

CORPORATE GOVERNANCE REPORT

Nobel Design Holdings Ltd (the "**Company**") is strongly committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "**Group**"). The board of directors of the Company (the "**Board**") recognises the importance of good corporate governance and the offering of high standards of accountability to the shareholders.

This report describes the Group's corporate governance processes and structures that were in place throughout the financial year, with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**") issued on 2 May 2012, which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited.

The Company is generally in compliance with the principles and guidelines as set out in the Code and in areas where there are deviations from the Code, appropriate explanations are provided within this report. The Board considers that the alternative corporate governance practices are sufficient to meet the underlying objective of the Code.

BOARD MATTERS

The Board's Conduct Of Its Affairs

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

The Board's primary role is to protect and enhance long-term value and returns for its shareholders. Apart from its statutory duties and responsibilities, the Board sets the strategies for the Group and oversees the executive management and affairs of the Group. It reviews and advises on overall strategies, policies and objectives, sets goals, supervises Management, monitors business performance and assumes responsibility for overall corporate governance of the Group to ensure that the Group's strategies are in the interests of the Company and its shareholders. The Board manages the Group in the best interests of shareholders as well as the interest of other stakeholders and pursues the continual enhancement of long-term shareholder value.

All directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and at all times in the best interest of the Company.

To assist the Board in the execution of its responsibilities, various Board Committees, namely the Audit Committee ("**AC**"), Remuneration Committee ("**RC**"), Nominating Committee ("**NC**") and Risk Management Sub-Committee ("**RMC**") have been constituted with clearly defined terms of reference.

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. Minutes of the Board Committee meetings are available to all Board members. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

Please refer to **Table 1** – Board and Board Committees.

The schedule of all the Board Committee meetings for the calendar year 2016 is given to all the directors well in advance. Besides the scheduled meetings, the Board meets on an ad-hoc basis as warranted by particular circumstances.

The Constitution of the Company provides for directors to conduct meetings by teleconferencing or videoconferencing. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.

Please refer to **Table 2** – Attendance at Board and Board Committee Meetings for the financial year ended 31 December 2015 ("**FY2015**").

The Board's approval is required for the following matters that are likely to have a material impact on the Group's operations as well as matters other than in the ordinary course of business:

1) Major investment and funding
2) Interested Person Transactions
3) Material acquisition and disposal of assets
4) Corporate strategic direction and strategic action plans
5) Key business initiatives and policies
6) Issuance of shares
7) Declaration of interim dividends and proposal of final dividends
8) Announcement of the Group's quarterly, half year and full year results and the release of the Annual Reports.

The Board as a whole is updated regularly on risk management, corporate governance and key changes to companies and securities legislation, rules and regulations and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

The Company has an on-going annual budget for all directors to attend appropriate training courses, seminars and conferences for them to stay abreast of these changes and other relevant business developments. The directors are regularly kept informed of the availability of appropriate courses, conferences and seminars such as those conducted by the Singapore Institute of Directors and the directors are encouraged to attend such training at the Company's expense. During FY2015, the Board attended a training session on the Code and its implications for the Company, and various directors attended the Annual Directors Conference of the Singapore Institute of Directors. Training was also conducted for the Board on the latest amendments and changes to the Companies Act of Singapore. In addition, in-house briefings were conducted by the Group CEO on business developments affecting the Group. The external auditors also provided regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

There were no incoming directors during the course of the financial year. When the existing directors were appointed, they were briefed on the business and organisation structure of the Group, key areas of the Company's operations and on their duties and obligations as directors. The Company seeks to familiarise new directors with the Group's principal businesses, the Company's board processes, internal controls and governance practices, including meetings with various key executives of Management to allow the new directors to be acquainted with the Management team and to facilitate their independent access in future to the Management team.

BOARD COMPOSITION AND GUIDANCE

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

The Board currently comprises of eight directors, three of whom are executive directors, four of whom are independent and non-executive directors, and one of whom is a non-executive, non-independent director. The NC conducted its annual review of the directors' independence and was satisfied that the Company not only complies with the guideline of the Code that at least one-third of the Board is made up of independent directors but exceeds the Code's requirements as to independence as half of the Board comprises of independent non-executive directors, notwithstanding that the Chairman of the Board is also an independent non-executive director.

Please refer to **Table 1** – Board and Board Committees.

The NC, which reviews the independence of each director on an annual basis, adopts a definition of an independent director that is even stricter than that in the Code, as the Company's independent directors must also be independent from substantial shareholders (i.e. 5% shareholders), not just from 10% shareholders. In its deliberation as to the independence of a director, the NC took into account examples of relationships as set out in the Code, considered whether a director had business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company.

In addition to the annual review by the NC of the independence of the independent directors, each independent director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code. The directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. As such, the Board is satisfied that the independent directors are able to act with independent judgement.

The NC is responsible for examining the size and composition of the Board and Board Committees. Taking into account the nature of the Group's businesses, the Board considers a board size of between 6 to 9 members as appropriate. The Board believes that its current board size and composition effectively serves the Group. It provides sufficient diversity without interfering with efficient discussion and decision-making.

The NC also aims to maintain a diversity of expertise, skills and attributes among the Directors and is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business. Currently, the Board comprises individuals with diverse qualifications and backgrounds in law, accounting, finance, investments and the relevant business industry that the Group is in.

The Board recognises the importance of an appropriate balance and diversity of skills, experience, gender, knowledge and professional qualifications in building an effective Board. For this purpose, the NC reviews the Board's collective skills matrix regularly. Any potential conflicts of interest are taken into consideration.

The independent directors communicate regularly to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development.

The non-executive and independent directors meet regularly without the presence of Management to discuss matters such as Board effectiveness and Management's performance.

The Board has no dissenting view on the Chairman's Statement to the shareholders as set out on page 2 of this Annual Report for the financial year under review.

The Board recognises that independent directors may over time develop significant insights in the Group's business and operations, and can continue to provide noteworthy and valuable contribution to the Group. The independence of the independent directors must be based on the substance of their professionalism, integrity and objectivity, and not merely based on form; such as the number of years which they have served on the Board.

Currently, Dr. Teh Ban Lian, Mr. Heng Chye Yam and Mr. Wong Soon Chiu have served on the Board for more than nine years from the date of their first appointment. The NC and the Board have carried out a particularly rigorous review of the independence status of Dr. Teh, Mr. Heng and Mr. Wong. The NC and the Board are of the view (with each of Dr. Teh, Mr. Heng and Mr. Wong abstaining from such discussions and deliberations) that Dr. Teh, Mr. Heng and Mr. Wong continue to demonstrate their abilities to exercise strong independent judgement in their deliberations and act in the best interests of the Company and that their length of service on the Board have not affected their independence from Management. Dr. Teh, Mr. Heng and Mr. Wong continue to express their views and debate issues in connection with the Company's matters and Management's actions, both at Board and Board Committee meetings and in separate discussions with Management and other directors. Further, having gained in depth understanding of the business and operating environment of the Group, they provide the Company with the relevant experience and knowledge of the industry. After taking all these factors into account, the NC and the Board (save for Dr. Teh, Mr. Heng and Mr. Wong who abstained from deliberation of this matter) have reviewed and determined that Dr. Teh, Mr. Heng and Mr. Wong continue to be independent, notwithstanding that their services on the Board have been more than nine years and they shall continue to hold the position of Independent Directors of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

The Board has adopted the recommendation of the Code to have separate persons appointed as Chairman and the Chief Executive Officer. This is to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable power or influence. Further, the AC, RC, NC and RMC are chaired by Independent Directors.

Mr. Chan Pengee Adrian is currently the Group Non-Executive Chairman of the Board (the "**Chairman**"), whilst Mr. Goon Eu Jin Terence fulfills the role of the Group Chief Executive Officer ("**CEO**"). As Chairman, Mr. Chan Pengee Adrian is responsible for, amongst other things, leadership of the Board and is pivotal in creating the conditions for overall Board, committee and individual Director effectiveness, both inside and outside the boardroom. This includes setting the agenda of the Board in consultation with the Directors and the Group CEO, and promoting active engagement and an open dialogue among the Directors, as well as between the Board and the Group CEO.

The Chairman ensures that the performance of the Board is evaluated regularly, and guides the development needs of the Board. The scope and extent of the Chairman's and the Board's responsibilities and obligations have been expanding due to the increased focus on corporate governance, risk management, regulation and compliance. Given the increased demands, the Chairman in particular spends more time on, and is more hands-on in, the affairs of the Group. The Board has agreed with the Chairman that he will commit a significant proportion of his time to his role and will manage his other time commitments accordingly.

The CEO plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and strategic vision. He manages the businesses of the Company and implements the Board's decisions. He also ensures that the directors are kept updated and informed of the Group's businesses and developments.

The Company is not required to appoint a lead independent director as the Chairman and CEO are separate persons and not immediate family members and the Chairman is an independent director.

BOARD MEMBERSHIP

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

The selection of Board Committee members requires careful management to ensure that each Committee comprises Directors with appropriate qualifications and skills, and that there is an equitable distribution of responsibilities among Board members. The need to maximize the effectiveness of the Board, and encourage active participation and contribution from Board members, is also taken into consideration.

The NC comprises three directors of the Company, two of whom (including the Chairman of the NC) are independent directors. The Chairman of the NC is Mr. Chan Pengee Adrian. The other members are Dr. Teh Ban Lian and Mr. Goon Eu Jin Terence. The NC has adopted specific written terms of reference.

According to the terms of reference of the NC, the members of the NC are responsible for, amongst others, the appointment, re-nomination and retirement of Directors having regard to their independence, qualifications, performance and contributions. The NC also ensures that the Board as a whole, possesses the core competencies required by the Code.

The NC takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a Director for recommendation to the Board. However, the re-nomination or replacement of a Director does not necessarily reflect the Director's performance or contributions to the Board.

The NC is of the view that the Company is headed and controlled by an effective Board, as:-

(a) the Board has four non-executive directors of the Company who are independent (as defined in the Code) and able to exercise objective judgement on corporate affairs of the Group independently from Management;

(b) there is no individual or small group of individuals on the Board who dominate the Board's decision making process;

(c) the Board as a whole, possesses core competencies required for the effective conduct of the affairs and operations of the Group; and

(d) the current size of the Board is adequate for the purposes of the Group.

Please refer to **Table 1** – Board and Board Committees – on the composition of the NC.

The principal functions of the NC is to establish a formal and transparent process for:

(a) reviewing nominations of new director appointments based on selection criteria such as his/her credentials, skill sets and contributions required by the Company;

(b) reviewing and recommending to the Board the re-election of directors in accordance with the Company's Constitution;

(c) determining annually whether a director is "independent";

(d) deciding whether a director is able to and has adequately carried out his/her duties as a director of the Company, in particular whether the directors concerned have multiple board representations or if they are in conflict with the interest of the Company; and

(e) deciding how the Board's performance may be evaluated and propose objective performance criteria.

All directors are subject to retirement in accordance with the provisions of the Company's Constitution whereby one third of the directors are required to retire (or if their number is not a multiple of three, the number nearest to but not less than one third) and subject themselves to re-election by shareholders at every annual general meeting ("**AGM**"). No director shall stay in office for more than 3 years without being re-elected by the shareholders except for the Managing Director who is not required to submit himself for retirement and re-election.

The Board recognises the contribution of its independent directors who over time have developed deep insight into the Group's businesses and operations and who are therefore able to provide invaluable contributions to the Group.

New directors are appointed by way of a Board Resolution, after the NC has approved their nomination. In its search and selection process for new directors, other than through a formal search process, the NC taps on the resources of directors' personal contacts and recommendations of potential candidates and appraises the nominees to ensure that the candidates possess relevant experience and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the skills, experience and other requirements sought by the Group.

A new director who is appointed by the Board is subject to re-election by shareholders at the next AGM following his appointment and, thereafter, shall be taken into account in determining the number of directors who are to retire by rotation.

At the forthcoming AGM, Mr. Chan Pengee Adrian and Mr. Chan Kum Leong will be retiring by rotation pursuant to Article 107 of the Company's Constitution. All of them, being eligible for re-election, have offered themselves for re-election.

The Company's current policy stipulates that a director should not have in aggregate more than six listed company board representations concurrently so as to be able to devote sufficient time and attention to the affairs of the Company to adequately discharge his/her duties as director of the Company.

All directors are required to declare their board representations and other principal commitments. When a director has multiple board representations, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that Mr. Chan Pengee Adrian, who abstained from the deliberations, has been able to devote sufficient time and attention to the Company to adequately discharge his duties as director of the Company, notwithstanding his multiple board appointments and other principal commitments.

No alternate director has been appointed to the Board.

When an existing director chooses to retire or the need for a new director arises, either to replace a retiring director or to enhance the Board's strength, the NC, in consultation with the Board, evaluates and determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment as new director. The selection criterion includes integrity, diversity of competencies, expertise, industry experience and financial literacy. The NC then meets with the shortlisted potential candidates with the appropriate profile before nominating the most suitable candidate to the Board for approval and appointment as director.

The profile of all Board members is set out in the section entitled 'Board of Directors'.

Please refer to **Table 3** – Date of director's initial appointment, last re-election, their listed directorships and other principal commitments.

Except as disclosed in **Table 3**, there were no other directorships or chairmanships held by the directors over the preceding three years in other listed companies.

BOARD PERFORMANCE

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

The Board, through the NC, has used its best efforts to ensure that directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience, knowledge in the business, competencies in finance and management skills critical to the Group's business. It has also ensured that each director, with his special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The NC has established a review process to assess the performance and effectiveness of the Board as a whole and the contribution by individual directors to the effectiveness of the Board.

During the financial year, all directors are requested to complete a Board Evaluation Questionnaire designed to seek their views on the various aspects of the Board's performance so as to assess the overall effectiveness of the Board. The assessment criteria include directors' attendance records at Board and Committee meetings and the contributions of the Board members. The responses are sent directly to the externally appointed Company Secretary and the Company Secretary prepares a summary for the NC to review before submitting it to the Board for discussion and for it to determining the areas for improvement and enhancement of the Board's effectiveness. Following the review, the NC and the Board are of the view that the Board and its Board Committees operate effectively and each director is contributing to the overall effectiveness of the Board.

The performance criteria for the evaluation are in respect of board size and composition, board independence, board processes, board information and accountability, board performance in relation to discharging their responsibilities as set out in their respective terms of reference.

Each individual director's performance is evaluated annually and informally on a continual basis by the NC and the Chairman. The criteria taken into consideration by the NC and the Chairman include the value of contribution to the development of strategy, availability at board meetings (as well as informal contribution via email and telephone), interactive skills, degree of preparedness, industry and business knowledge and experience each director possesses which are crucial to the Group's business.

The primary objective of the board evaluation exercise is to create a platform for the Board and Board Committees members to provide constructive feedback on the board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and Board Committees.

The individual director evaluation exercise assists the NC in determining whether to re-nominate directors who are due for retirement at the forthcoming AGM, and in determining whether directors with multiple board representations are able to and have adequately discharged their duties as directors of the Company.

Nonetheless, replacement of a director, when it happens, does not necessarily reflect the director's performance or contributions to the Board, but may be driven by the need to align the Board with the medium or long term needs of the Group.

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.

All directors have unrestricted access to the Company's records and information. They are furnished with accurate and detailed information in a timely manner concerning the Group to enable them to be fully cognisant of the decisions and actions of the Group's executive management.

As a general rule, detailed Board and Board Committee papers prepared for each meeting are normally circulated in advance of each meeting. This is to give directors sufficient time to review and consider the matters to be discussed so that discussions can be more meaningful and productive. However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed. The Board papers include sufficient background explanatory information from the Management on financial, business and corporate issues to enable the directors to be properly briefed on issues to be considered at Board and Board Committee meetings. Such explanatory information may also be in the form of briefings to provide additional insights to the directors or formal presentations made by the Management in attendance at the meetings, or by external consultants engaged on specific projects.

The Board has separate and independent access to the Company Secretary and to other senior management executives of the Group at all times in carrying out their duties.

Management provides Board members with the management accounts, as well as adequate information prior to Board meetings and updates on initiatives and developments of the Group's business whenever possible, on an on-going basis.

The Board members have separate and independent access to the Company's senior management. The Board members (whether individually or as a group) have, in the furtherance of their duties, access to independent professional advice, if necessary, at the Company's expense.

The Company Secretary administers and attends all Board and Board Committee meetings of the Company and prepares minutes of meetings. She is responsible for, among other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

The RC comprises three non-executive directors, a majority of whom, including the Chairman of the RC, are independent. The RC is chaired by an independent non-executive Director Mr. Heng Chye Yam. The other members are Mr. Chan Pengee Adrian and Mr. Chan Kum Leong.

Please refer to **Table 1** – Board and Board Committees – on the composition of the RC.

The main responsibilities of the RC, as delegated by the Board, are to oversee the remuneration of the Board and senior management. It is responsible for ensuring that a formal and transparent procedure is in place for developing the appropriate remuneration framework and policies. It reviews the remuneration packages with the aim of building capable and committed management teams through competitive compensation and focused management and progression policies so as to achieve the Group's goals and deliver sustainable shareholder value. The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC recommends for the Board's endorsement, a framework of remuneration which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for the executive directors.

No director or member of the RC will be involved in deciding his own remuneration and will abstain from voting at RC meetings when their own remuneration is being deliberated.

The RC seeks expert advice and views on remuneration and governance matters from both within and outside the Group as appropriate. The RC will ensure that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

LEVEL AND MIX OF REMUNERATION

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

Remuneration policy in respect of executive directors and other key management personnel

Our executive directors' remuneration consists of salary, bonuses and other benefits. A proportion of the remuneration for the executive directors is linked to performance in the form of performance bonus. Executive directors do not receive directors' fees.

In setting remuneration packages, the Group takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals.

The Group has also entered into various letters of employment with all of the executive officers. Their compensation consists of salary, bonuses and performance awards that are dependent on the performance of the Group.

The independent directors receive directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent, as well as the responsibilities and obligations of the directors. The Group recognises the need to pay competitive fees to attract, motivate and retain directors without being excessive and thereby maximise shareholder value.

Directors' fees are recommended by the Board for approval at the Company's AGM.

For FY2015, there were no termination, retirement or post-employment benefits granted to Directors and key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for the Directors and key management personnel.

DISCLOSURE ON REMUNERATION

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

Level and Mix of remuneration of directors and key management personnel (who are not also directors or the CEO) for the year ended 31 December 2015.

Please refer to **Table 4** – Remuneration Table.

Except as disclosed in **Table 4** of this report, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

The Nobel Employee Share Option Scheme (the "**Scheme**") has been approved by shareholders and the Group has granted options to executive directors under the Scheme. Matters relating to the Scheme were administered by the RC. Details of the options granted under the scheme to the controlling shareholders and directors are set out in the "Directors' Statement" on pages 28 to 33 of this Annual Report.

The details of the options granted under the scheme and the exercise period is as follows:

Date of grant	Exercise Period		
05.03.2008*	05.03.2010	to	05.03.2013
25.05.2009#	25.05.2010	to	25.05.2014
27.07.2009#	27.07.2010	to	27.07.2014
08.12.2010*	08.12.2012	to	08.12.2015
29.03.2012*	29.03.2014	to	29.03.2017
09.01.2013*	09.01.2015	to	09.01.2018

* The option was granted at a discount of 20% off market price on the average exercise price.

The option was granted at market price on the average exercise price.

Although the Code recommends that the exact remuneration of the executive directors and at least the top eight key executives' aggregate remuneration be disclosed, the Board believes that such disclosure would be disadvantageous to the Group's business interests, given the highly competitive conditions in the industry where poaching of executives is commonplace. Nevertheless, in **Table 4**, the Company has made disclosures of the exact remuneration of the non-executive directors and the director fee structure for the Board. In addition, disclosures for the remuneration of the executive directors and the top eight key executives are made in bands.

ACCOUNTABILITY AND AUDIT

Accountability

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

In presenting the annual financial statements and quarterly announcements to shareholders, it is the aim of the Board to provide shareholders with detailed analysis and a balanced and understandable assessment of the company's performance, position and prospects.

In line with the SGX Listing Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements. For the financial year under review, the CEO and the Finance Director have provided assurance to the Board on the integrity of the Group's financial statements.

The Board and the Board committees are furnished with management reports containing complete, adequate and timely information, and papers containing relevant background or explanatory information required to support the decision-making process. Management and the Company's auditors would also provide additional information on the matters for discussion.

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 is responsible for the governance of risks and the overall internal control framework and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. The Board also acknowledges that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The AC engages an external independent firm to conduct an internal audit review based upon an agreed scope of work. The external auditors, during the conduct of their normal audit procedures, may also report on matters relating to internal controls. Any material non-compliance and recommendation for improvement will be reported to the AC.

Based on the reviews by the external firm conducting the internal audit review, the external auditors, the various audit reports and management controls in place, the Board is satisfied that the system of internal procedures, controls and reviews that the Group has in place provides reasonable assurance against material financial misstatements or loss, safeguarding of assets, the maintenance of proper accounting records, reliability of financial information, compliance with legislation, regulations and best practices and the identification and management of business risks. The Board, with the concurrence of the AC, is therefore of the opinion that the Group's system of internal controls and risk management systems are adequate to address financial, operational, compliance and IT risks of the Group in its current business environment.

The AC and the Board has received written assurance and confirmation from the CEO and the Finance Director that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and regarding the effectiveness of the Company's risk management and internal control systems.

The Company has set up the RMC as a sub-committee under the AC with effect from 25 February 2014. The RMC is chaired by Dr. Teh Ban Lian and the members of the RMC are Mr. Heng Chye Yam, Mr. Chan Kum Leong and Ms. Ong Ciu Hwa. The RMC has adopted specific written terms of reference. Under these terms of reference, the RMC is responsible for:-

- determining the Company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems;

- at least annually, reviewing the adequacy and effectiveness of the company's risk management and internal control systems, including financial, operational, compliance and information technology controls;

- commenting on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report; and

- 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.

In carrying out its oversight responsibilities, each RMC member shall be entitled to rely on the expertise and information provided by the CEO and/or any management staff of the Group.

Please refer to **Table 1** – Board and Board Committees – on the composition of the RMC.

AUDIT COMMITTEE

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

The AC comprises four members, all of whom (including the Chairman of the AC) are non-executive and independent directors. The Chairman of the AC is Mr. Wong Soon Chiu. The other members are Mr. Chan Pengee Adrian, Mr. Heng Chye Yam and Dr. Teh Ban Lian. The AC has adopted specific written terms of reference.

Please refer to **Table 1** – Board and Board Committees – on the composition of the AC.

The Board is of the view that all the members of the AC (including the Chairman of the AC) have recent and relevant accounting or related financial management expertise or experience to discharge the AC's responsibilities.

The AC meets on a quarterly basis to review the quarterly and audited annual financial statements, SGXNET announcements and all related disclosures to shareholders before submission to the Board for approval. In the process, the AC reviews the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the Group's financial performance so as to ensure the integrity of the financial statements.

The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance and finance risk management.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of the Management and full discretion to invite any executive director or executive officer to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

The AC recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors.

The AC performed the following functions in respect of the financial year under review:-

External Auditors

The AC reviewed together with the external auditors:-

(i) the audit plan (including, amongst others, the nature and scope of the audit before the audit commenced and the risk management issues of the Group);
(ii) the balance sheet of the Company and the consolidated financial statements of the Group; and
(iii) the assistance given to them by the Company's officers.

The AC continues to monitor the scope and results of the external audit, its cost effectiveness and the independence and the objectivity of the external auditors and the nature and extent of the non-audit services provided by the external auditors to ensure that the independence of the external auditors is not compromised. The aggregate amount of agreed fees to be paid to the external audit firms of the Group for the financial year under review is $118,800 which comprises audit fees of $112,800 and non-audit fees of $6,000. The AC is satisfied that the independence of the external auditors has not been impaired by the provision of the non-audit services. The external auditors have also provided confirmation of their independence to the AC.

The AC has recommended the re-appointment of the external auditors at the forthcoming AGM. The re-appointment of the external auditors is always subject to shareholders' approval at the Company's AGM. The external auditors hold office until their removal or resignation.

As at the date of this Annual Report, the AC has met with the external auditors separately without the presence of Management to review any area of audit concern.

The Company has established a Nobel Code of Conduct that sets the principles of the code of conduct and business ethics which applies to all employees of the Group. This code covers areas such as conduct in the workplace, business conduct, protection of the Company's assets, confidentiality of information and conflict of interest, etc. Directors, key executives and employees are expected to observe and uphold high standards of integrity which are in compliance with the Company's policies and the law and regulations of the countries in which it operates. To ensure adherence to corporate policies and best practices, a Compliance Officer was designated by the Board of Directors. One of the functions of the Compliance Officer is to determine violations of the Code of Conduct and create a system for according due notice and hearing, or due process in dealing with violations of the Code of Conduct. The Nobel Code of Conduct is available on the Company's website at:

www.nobel.com.sg/asset/pdf/Nobel_Code_of_Conduct.pdf

The Company has put in place a whistle-blowing policy, endorsed by the AC, which provides the mechanisms where employees of the Company may, in good faith and in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to the AC.

Details of the whistle-blowing policies and arrangements have been made available to all employees. It has a well defined process which ensures independent investigation of such matters and appropriate follow-up action, and provides assurance that employees will be protected from reprisal within the limits of the law. Anonymous complaints are not disregarded and will also be investigated. The whistle-blowing policy is available on the Company's website at:

www.nobel.com.sg/asset/pdf/ND-Whistle_Blowing_Policy.pdf

There were no reported incidents pertaining to whistle-blowing for FY2015.

The AC is satisfied and the Company confirms that it has complied with Rules 712 and 715 and/or 716 of the SGX Listing Rules for FY2015.

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

INTERNAL AUDIT

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

The internal audit function is currently outsourced on a project by project basis to an external independent firm reporting directly to the AC and the RMC. The AC and the RMC will continue to review specific audit risk areas and ensure that the internal audit function as discharged by the external independent firm is adequate and effective.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

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

The Company is committed to regular and timely communication with shareholders as part of the organisation's development to build systems and procedures that will enable the Group to compete internationally. The Company places great emphasis on investor relations and strives to maintain a high standard of transparency and to promote better investor communications. It aims to provide investors with clear, balanced and useful information, on a timely basis, about the Group's performance, financial position and prospects.

Management supported the Code's principle to encourage shareholder participation. Shareholders are encouraged to attend the AGM to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notice of the AGM is despatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 days or 21 days, as the case may be, before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the AGM.

Whilst there is no limit imposed on the number of proxy votes for nominee companies, the Constitution of the Company allows each shareholder to appoint up to two proxies to attend AGMs. The Proxy Form is included in the Annual Report and is sent out to all shareholders prior to the AGM.

The Company's shareholders have one vote for one share. This is stated in the Annual Report which is publicly-released to all shareholders together with the Notice of AGM.

The Company discloses the amount payable as dividends through announcements that are submitted to the SGX. A summary of dividends given out throughout the year is also included in the Company's financial statements and Annual Report, which are also available through the Company's website.

The Company practices the payment of dividends in an equitable and timely manner where all shareholders are treated equally. The Company also ensures that shareholders are paid within thirty (30) days after the declaration of dividends.

The Company's shareholders are given the right, among other rights, to participate in the approval of directors' fees for the non executive directors. The Company's voting and vote tabulation procedures are properly disclosed and explained by the Scrutineer during the AGM. Voting results on all matters for shareholder approval during the AGM is disclosed by way of SGX announcement on the same day, including approving, dissenting and abstaining votes.

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.

Information on the Company can be found on its website at *www.nobel.com.sg*. In our website, shareholders and other investors are able to access the annual reports of the Company under the link, "About Us". Shareholders and investors are also encouraged to contact the Group's investor relations contact, being the CEO, at this email address: *enquiry@nobel.com.sg*.

The Company does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the SGX Listing Rules and the Companies Act (Cap 50) of Singapore, the Board's policy is that all shareholders should be equally and timely informed of all major developments that will impact the Company or the Group. Information is communicated to shareholders on a timely basis through the Singapore Exchange Network (the "**SGXNET**") and the press. The Company reports its financial results on a quarterly basis, within 45 days from the end of each financial quarter and within 60 days of the financial year end, in each case through SGXNET.

The Company discloses its top 20 shareholders and its distribution of shareholdings in its Annual Reports. The direct and indirect shareholdings of its directors are also disclosed in the Annual Reports.

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.

The Company strongly encourages and supports shareholder participation at AGMs. Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNET.

If shareholders are unable to attend the meetings, the Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder.

Resolutions at the AGM are on each substantially separate issue. All the resolutions at general meetings are single item resolutions.

The Chairmen of the Board, AC, NC, RC and RMC are in attendance at the Company's AGM to address shareholders' questions. At the AGM, the Group CEO delivers a presentation to update shareholders on the Group's progress over the past year.

The Company's external auditors, Ernst & Young LLP, are also invited to attend the AGM and are available to assist the directors in addressing any shareholders queries and the preparation and content of the auditors' report.

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the directors or the Management questions regarding the Company and its operations.

To promote greater transparency in the voting process, with effect from the 2014 AGM, the Company will conduct the voting of all its resolutions by poll at all its AGMs and EGMs. The detailed voting results of each of the resolutions tabled are announced immediately at the meeting. The total numbers of votes cast for or against the resolutions are also announced after the meeting via SGXNET.

DEALINGS IN SECURITIES

As at the date of this Annual Report, the Company has adopted an internal code on dealings in securities. Directors, senior management and employees (collectively "**Officers**") of the Group who have access to price-sensitive, financial or confidential information are not permitted to deal in the Company's securities during the periods commencing two weeks before announcement of the Group's quarterly results and one month before announcement of the Group's half-yearly results and one month before the announcement of the Group's yearly results and ending on the date of announcement of such result, or when they are in possession of unpublished price-sensitive information on the Group. In addition, the Officers of the Company are advised not to deal in the Company's securities for a short term consideration and are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods. Officers are to consult with the Group Finance Director/Company Secretary before trading in Company's securities and to confirm annually that they have complied with and not in breach of the Code. Directors are required to report dealings in the Company's shares immediately as specified in Nobel's insider trading policy. The Board is kept informed when a director trades in the Company's securities. The Company practices sending out regular emails to all Directors and Officers as a reminder against Dealing in Securities prior to any financial results announcement period.

MATERIAL CONTRACTS

Save for the service agreements entered into between the Executive Directors and the Company, there was no material contract entered into by the Company and its subsidiaries involving the interests of any director or controlling shareholders subsisting at the end of FY2015.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on an arm's length basis.

This disclosure if any will be included in its quarterly SGX announcements as well as in its Annual Report. It is the obligation of every employee, including key officers and directors, to declare and divulge in writing to the Company his own involvement in any conflict of interest with the Company. Failure on the part of an employee to divulge the same to the Company shall be treated seriously and will be subject to grave penalties.

The Company's policy requires Board members to abstain from participating in any Board discussion on a particular agenda if and when they are conflicted. One of the specific responsibilities of each Director is to ensure that his personal interest does not affect or prejudice Board decisions. A Director shall not use his position to make any profit or to acquire benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality and should observe the conflict of interest policies of the Company. Directors are required to complete an annual conflict of interest disclosure and voluntarily disclose any conflict of interest that may arise within the year. If an actual or potential conflict of interest arises on the part of a Director, he is required to fully and immediately disclose it and must not participate in the decision-making process. A Director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company, or if he stands to acquire or gain financial advantage at the expense of the Company.

In compliance with Rule 907 of the SGX Listing Rules, there were no transactions with interested persons for FY2015 which exceeds the stipulated threshold.

TABLE 1 – BOARD AND BOARD COMMITTEES

Name of Director	Board Membership	Audit Committee ("AC")	Nominating Committee ("NC")	Remuneration Committee ("RC")	Risk Management Sub-Committee ("RMC")
Chan Pengee Adrian	Non-Executive Chairman/Independent	Member	Chairman	Member	-
Dr. Teh Ban Lian	Non-Executive/ Independent	Member	Member	-	Chairman
Heng Chye Yam	Non-Executive/ Independent	Member	-	Chairman	Member
Wong Soon Chiu	Non-Executive/ Independent	Chairman	-	-	-
Chan Kum Leong	Non-Executive/ Non-Independent	-	-	Member	Member
Wee Ai Quey	Executive/ Non-Independent	-	-	-	-
Goon Eu Jin Terence	Executive/ Non-Independent	-	Member	-	-
Ong Ciu Hwa	Executive/ Non-Independent	-	-	-	Member

TABLE 2 – ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

	Board		Audit		Remuneration		Nominating		Risk Management	
	# No. of Meetings	No. of Meetings Attended	# No. of Meetings	No. of Meetings Attended	# No. of Meetings	No. of Meetings Attended	# No. of Meetings	No. of Meetings Attended	# No. of Meetings	No. of Meetings Attended
Chan Pengee Adrian	8	8	4	4	1	1	1	1	-	-
Dr. Teh Ban Lian	8	5	4	4	-	-	1	1	-	-
Heng Chye Yam	8	8	4	4	1	1	-	-	1	1
Wong Soon Chiu	8	8	4	4	-	-	-	-	1	1
Chan Kum Leong	8	8	-	-	1	1	-	-	1	1
Wee Ai Quey	8	8	-	-	-	-	-	-	-	-
Goon Eu Jin Terence	8	8	-	-	-	-	1	1	-	-
Ong Ciu Hwa	8	8	-	-	-	-	-	-	1	1

No. of meetings held whilst a member.

TABLE 3 – DATE OF DIRECTOR'S INITIAL APPOINTMENT, LAST RE-ELECTION, THEIR LISTED DIRECTORSHIPS AND OTHER PRINCIPAL COMMITMENTS

Name of Director	Appointment	Date of initial appointment	Date of last re-election	Present directorships in listed companies	Past (preceding 3 years) directorships in listed companies	Other Principal Commitments
Chan Pengee Adrian	Independent Director and Non-Executive Chairman	24 June 2013	29 April 2014	1. Biosensors International Group, Ltd 2. Global Investments Ltd 3. Yoma Strategic Holdings Ltd 4. Ascendas Funds Management (S) Ltd 5. Hong Fok Corporation Ltd	1. UPP Holdings Ltd 2. AEM Holdings Ltd 3. Isetan (Singapore) Ltd	1. Lee & Lee - Senior Partner - Head of Corporate Department 2. Association of Small and Medium Enterprises - Honorary Secretary 3. Accounting and Corporate Regulatory Authority - Board member
Dr. Teh Ban Lian	Independent Director	13 June 2005	29 April 2014	Nil	Nil	
Heng Chye Yam	Independent Director	26 April 2005	28 April 2015	Nil	Nil	
Wong Soon Chiu	Independent Director	08 January 2003	29 April 2014	Nil	Nil	
Chan Kum Leong	Non-Executive Director	21 June 2012	30 April 2013	Nil	LionHub Group Ltd, Australia	
Wee Ai Quey	Executive Director	13 December 1982	29 April 2014	Nil	Nil	
	Chief Operating Officer	28 May 2013				
Goon Eu Jin Terence	Group Chief Executive Officer and Group Managing Director	10 March 2010	Not subject to rotation	Nil	Nil	
Ong Ciu Hwa	Executive Director	08 July 2011	28 April 2015	Nil	Nil	

TABLE 4 – REMUNERATION TABLE

a) Directors' remuneration

A breakdown of the level and mix of remuneration paid to each director in remuneration bands of $250,000 for FY2015 are as follows:-

	Remuneration band	Fees	Salary	Bonus	Other Benefits
	$	%	%	%	%
Executive Directors					
Goon Eu Jin Terence	1,000,000 and above	-	14	86	-
Wee Ai Quey	1,000,000 and above	-	13	87	-
Ong Ciu Hwa	0 to 249,999	-	77	23	-

A breakdown of the level and mix of remuneration payable to each Non-Executive director for FY2015 are as follows:-

	Fees	Salary	Bonus	Other Benefits
	$	%	%	%
Non-Executive Directors				
Chan Pengee Adrian	113,000	-	-	-
Dr. Teh Ban Lian	58,625	-	-	-
Heng Chye Yam	62,813	-	-	-
Wong Soon Chiu	50,250	-	-	-
Chan Kum Leong	46,062	-	-	-

Fee: Fees are subject to the approval of the Shareholders at the AGM for FY2015.

The structure of the fees paid or payable to Directors of the Company for FY2015 is as follows:

Type of appointment	Fee per annum $
Board of Directors	
- Base fee	33,500
Board Chairman	33,500
Audit Committee	
- AC Chairman's fee	16,750
- AC Member's fee	8,375
Nominating Committee	
- NC Chairman's fee	16,750
- NC Member's fee	8,375
Remuneration Committee	
- RC Chairman's fee	16,750
- RC Member's fee	8,375
Risk Management Sub-Committee	
- RMC Chairman's fee	8,375
- RMC Member's fee	4,188

b) Top Eight Key Executives' Remuneration

	Remuneration band	Fees	Salary	Bonus	Other Benefits
	$	%	%	%	%
Key Executives					
Foo Kim Soon	0 to 250,000	-	74	18	8
Mike Chua Seow Chang	0 to 250,000	-	60	33	7
Roland Toh Poh Soon	0 to 250,000	-	73	18	9
Sharon Wu Pui See	0 to 250,000	-	66	27	7
Rachel Foong Su Min	0 to 250,000	-	92	8	-
Judy Tan Siew Beng	0 to 250,000	-	83	4	13
Ben How Ti Beng	0 to 250,000	-	81	5	14
Frances Lee Woon Yeong	250,000 to 500,000	-	48	49	3

c) Immediate families of Directors

There is no immediate family member of a director or the CEO in the employment of the Company whose annual remuneration exceeded $50,000 during FY2015.

FINANCIAL REPORT

For the financial year ended
31 December 2015

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Nobel Design Holdings Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 December 2015.

1. Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheets of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group 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.

2. Directors

The directors of the Company in office at the date of this statement are:

Chan Pengee Adrian
Goon Eu Jin Terence
Wee Ai Quey
Wong Soon Chiu
Dr. Teh Ban Lian
Heng Chye Yam
Chan Kum Leong
Ong Ciu Hwa

In accordance with Article 107 of the Company's Constitution, Chan Pengee Adrian and Chan Kum Leong retire and, being eligible, offer themselves for re-election.

3. Arrangements to enable directors to acquire shares and debentures

Except as described in paragraph six below, 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 object 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.

4. Directors' interests in shares and debentures

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

	Holdings registered in name of director	
	At 31 December 2015	At 1 January 2015
Company	**Ordinary shares**	
Wee Ai Quey	23,645,000	22,612,000
Goon Eu Jin Terence	22,978,000	21,712,000
Wong Soon Chiu	6,726,000	7,229,000
Ong Ciu Hwa	1,115,000	812,000
Dr. Teh Ban Lian	362,000	304,000
Heng Chye Yam	89,000	231,000

4. Directors' interests in shares and debentures (continued)

(b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Nobel Employee Share Option Scheme as set out below and described in paragraph six of this statement.

	Holdings registered in name of director	
	At 31 December 2015	At 1 January 2015
Company	**Shares options**	
Wee Ai Quey	1,704,000	2,737,000
Goon Eu Jin Terence	2,114,000	3,380,143
Dr. Teh Ban Lian	300,000	358,143
Heng Chye Yam	250,000	298,286
Wong Soon Chiu	250,000	297,286
Ong Ciu Hwa	2,205,000	2,508,000
Chan Kum Leong	75,000	75,000

(c) Certain directors holding office at the end of the financial year are deemed to have an interest in the whole of the share capital of the Company's wholly owned subsidiaries and in the shares held by the Company in the following subsidiaries that are not wholly owned by the Group:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31 December 2015	At 1 January 2015	At 31 December 2015	At 1 January 2015
Subsidiaries	**Ordinary shares**			
Boss Design International Pte Ltd				
Wee Ai Quey	–	–	180,000	180,000
Marquis Furniture Gallery Pte Ltd				
Wee Ai Quey	–	–	430,000	430,000
Goon Eu Jin Terence	–	–	430,000	430,000
Momentum Creations Pte Ltd				
Wee Ai Quey	–	–	137,246	137,246
Goon Eu Jin Terence	–	–	137,246	137,246
Nobel Projects Pte Ltd				
Wee Ai Quey	–	–	649,999	649,999
Goon Eu Jin Terence	–	–	649,999	649,999
Buylateral Group Pte Ltd				
Wee Ai Quey	–	–	456,002	456,002
Goon Eu Jin Terence	–	–	456,002	456,002
	Preference shares			
Buylateral Group Pte Ltd				
Wee Ai Quey	–	–	65,577	65,577
Goon Eu Jin Terence	–	–	65,577	65,577

4. Directors' interests in shares and debentures (continued)

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31 December 2015	At 1 January 2015	At 31 December 2015	At 1 January 2015
Subsidiaries	**Ordinary shares of BND1 each**			
Nobel Design Sdn Bhd				
Goon Eu Jin Terence	–	–	260,000	260,000
	Ordinary shares of RM1 each			
Nobel Design House (M) Sdn Bhd				
Goon Eu Jin Terence	–	–	90,000	90,000
Nobel Reka Cipta Sdn Bhd				
Goon Eu Jin Terence	–	–	100,000	100,000
Seni Reka Nobel Sdn Bhd				
Wee Ai Quey	–	–	500,000	500,000
Goon Eu Jin Terence	–	–	500,000	500,000

By virtue of Section 7 of the Singapore Companies Act, Ms. Wee Ai Quey and Mr. Goon Eu Jin Terence are deemed to have an interest in all the related corporations of the Group.

(d) The directors' interests in the ordinary shares and share options of the Company as at 21 January 2016 were the same as those as at 31 December 2015.

5. Directors' contractual benefits

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

6. Share options

(a) Nobel Employee Share Option Scheme

The Nobel Employee Share Option Scheme (the "Scheme") was approved by members of the Company at an Extraordinary General Meeting on 20 February 2008.

Under the Scheme, executive and non-executive directors and employees of the Company and its subsidiaries (including controlling shareholders and their associates, as defined in the SGX-ST Listing Manual) are eligible to participate in the Scheme.

The Scheme serves to motivate employees, directors and associated company employees to perform their utmost best and to maintain a high level of contribution for the benefits of the Group as well as to retain key employees whose contribution are important to the long term growth and profitability of the Group.

The Scheme is administered by the Remuneration Committee (the "RC"). The members of the RC are as follows:

Heng Chye Yam, Chairman
Chan Pengee Adrian, member
Chan Kum Leong, member

6. Share options (continued)

(a) Nobel Employee Share Option Scheme (continued)

The details of the options granted under the scheme to the directors of the Company as at 31 December 2015 are as follows:

Name of directors		Date of grant of option	Exercise price	Options granted and accepted	Options adjustment	Total	Options exercised	Lapsed	Options balance
Wee Ai Quey	(a)	5-Mar-08	$0.1011 *	2,062,500	30,357	2,092,857	(2,092,000)	(857)	–
	(a)	8-Dec-10	$0.2061 *	1,050,000	30,000	1,080,000	(1,080,000)	–	–
	(a)	29-Mar-12	$0.3120 *	1,634,000	–	1,634,000	(653,000)	–	981,000
	(a)	9-Jan-13	$0.4000 *	723,000	–	723,000	–	–	723,000
Goon Eu Jin Terence	(a)	5-Mar-08	$0.1011 *	2,062,500	30,357	2,092,857	(2,092,000)	(857)	–
	(a)	8-Dec-10	$0.2061 *	1,300,000	37,143	1,337,143	(1,337,000)	(143)	–
	(a)	29-Mar-12	$0.3120 *	2,023,000	–	2,023,000	(809,000)	–	1,214,000
	(a)	9-Jan-13	$0.4000 *	900,000	–	900,000	–	–	900,000
Ong Ciu Hwa	(b)	25-May-09	$0.0875 ^	100,000	2,143	102,143	(102,000)	(143)	–
	(a)	8-Dec-10	$0.2061 *	980,000	28,000	1,008,000	(1,008,000)	–	–
	(a)	29-Mar-12	$0.3120 *	1,525,000	–	1,525,000	–	–	1,525,000
	(a)	9-Jan-13	$0.4000 *	680,000	–	680,000	–	–	680,000
Dr. Teh Ban Lian	(b)	25-May-09	$0.0875 ^	100,000	2,143	102,143	(102,000)	(143)	–
	(a)	8-Dec-10	$0.2061 *	180,000	5,143	185,143	(185,000)	(143)	–
	(a)	29-Mar-12	$0.3120 *	300,000	–	300,000	(120,000)	–	180,000
	(a)	9-Jan-13	$0.4000 *	120,000	–	120,000	–	–	120,000
Heng Chye Yam	(b)	25-May-09	$0.0875 ^	100,000	2,143	102,143	(102,000)	(143)	–
	(a)	8-Dec-10	$0.2061 *	150,000	4,286	154,286	(154,000)	(286)	–
	(a)	29-Mar-12	$0.3120 *	250,000	–	250,000	(100,000)	–	150,000
	(a)	9-Jan-13	$0.4000 *	100,000	–	100,000	–	–	100,000
Wong Soon Chiu	(b)	25-May-09	$0.0875 ^	100,000	2,857	102,857	(102,000)	(857)	–
	(a)	8-Dec-10	$0.2061 *	150,000	4,286	154,286	(154,000)	(286)	–
	(a)	29-Mar-12	$0.3120 *	250,000	–	250,000	(100,000)	–	150,000
	(a)	9-Jan-13	$0.4000 *	100,000	–	100,000	–	–	100,000
Chan Kum Leong	(a)	9-Jan-13	$0.4000 *	75,000	–	75,000	–	–	75,000

* The option was granted at a discount of 20% off market price of $0.130, $0.265, $0.390 and $0.500 respectively on the date of grant, which was then determined by reference to the daily official list published by SGX-ST for a period of 3 consecutive Market Days immediately prior to the relevant date of grant of the option. The option price for option granted on 5 March 2008 and 8 December 2010 was adjusted to $0.1011 and $0.2061 as a result of warrant issue.

^ The option was granted at market price of $0.09 on the date of grant, which was then determined by reference to the daily official list published by SGX-ST for a period of 3 consecutive Market Days immediately prior to the relevant date of grant of the option. The option price was adjusted to $0.0875 as a result of warrant issue.

6. Share options (continued)

(a) Nobel Employee Share Option Scheme (continued)

(a) The options are exercisable in 3 tranches as follows:

(i) up to 40% of the New Shares available in respect of the Discount Option between the second anniversary and the third anniversary of the Date of Grant;

(ii) up to 70% of the New Shares available in respect of the Discount Option between the third anniversary and the fourth anniversary of the Date of Grant; and

(iii) up to 100% of the New Shares available in respect of the Discount Option between the fourth anniversary and the fifth anniversary of the Date of Grant.

(b) The options are exercisable in 4 tranches as follows:

(i) up to 25% of the New Shares available in respect of the Market Price Option between the first anniversary and the second anniversary of the Date of Grant;

(ii) up to 50% of the New Shares available in respect of the Market Price Option between the second anniversary and the third anniversary of the Date of Grant;

(iii) up to 75% of the New Shares available in respect of the Market Price Option between the third anniversary and the fourth anniversary of the Date of Grant; and

(iv) up to 100% of the New Shares available in respect of the Market Price Option between the fourth anniversary and the fifth anniversary of the Date of Grant.

(b) Share options outstanding

As at 31 December 2015, there are 9,764,000 outstanding options for the employees of the Company, the associated company, the executive and non-executive directors under the Scheme. Details of options granted to the directors up to 31 December 2015, have been disclosed in paragraphs four and six of this statement. Except as disclosed above, at the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

7. Warrants

In the financial year ended 2011 ("FY2011"), the Company issued 33,620,200 warrants ("Warrants") at an issue price of $0.02 for each Warrant. Each Warrant carries the right to subscribe for 1 new ordinary share in the capital of the Company ("New Share") at an exercise price of $0.23 for each new share, on the basis of 1 Warrant for every 5 existing ordinary shares in the capital of the Company ("Shares") subject to the terms and conditions of the deed poll dated 22 September 2011 ("Warrants Issue"). The Warrants shall be exercised at any time commencing on and including 20 October 2011, being the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the third anniversary of the date of the issue of the Warrants ("Exercise Period"). The New Shares arising from the exercise of the Warrants, shall rank *pari passu* in all respects with the existing Shares for any dividends, rights, allotments or other distributions. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

In the financial year ended 2014, 15,807,986 ordinary shares of the Company were issued for cash at $0.23 each pursuant to the exercise of the warrants by warrants' holders.

The Warrants had expired at 5.00 p.m. on 21 October 2014. Any rights comprised in the Warrants which had not been exercised had lapsed and the Warrants had ceased to be valid for any purpose.

8. Audit Committee

The members of the Audit Committee (the "AC") at the end of the financial year were as follows:

Wong Soon Chiu (Chairman) – Non-Executive and Independent Director
Chan Pengee Adrian – Non-Executive and Independent Director
Heng Chye Yam – Non-Executive and Independent Director
Dr. Teh Ban Lian – Non-Executive and Independent Director

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, the Listing Manual of the SGX-ST and the Singapore Code of Corporate Governance 2012. In performing those functions, the AC reviewed:-

- the reliability and integrity of financial statements;
- the impact of new, revised or proposed changes in accounting policies or regulatory requirements on the financial statements;
- the compliance with laws and regulations in relation to financial reporting, particularly those of the Act, and the Listing Manual of the SGX-ST;
- the appropriateness of quarterly and full-year announcements and reports;
- the adequacy of internal controls and evaluation of adherence to such controls;
- the effectiveness and efficiency of internal and external audits;
- the appointment and re-appointment of external auditors and the level of auditors' remuneration;
- the nature and extent of non-audit services and their impact on independence and objectivity of the external auditors;
- interested person transactions;
- the findings of internal investigation, if any;
- the processes put in place to manage any material conflicts of interest within the Group; and
- all conflicts of interest matters referred to it.

The Audit Committee also reviews arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Pursuant to this, the Audit Committee has introduced a Whistle Blowing Policy where employees may raise improprieties to the Audit Committee Chairman in good faith, with the confidence that employees making such reports will be treated fairly and be protected from reprisal. The Audit Committee met four times in 2015.

The Audit Committee has recommended to the Board of Directors that the auditors, Ernst & Young LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

9. Auditor

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

On behalf of directors

Goon Eu Jin Terence
Director

Wee Ai Quey
Director

Singapore
1 April 2016

Report on the Financial Statements

We have audited the accompanying financial statements of Nobel Design Holdings Ltd (the "Company") and its subsidiaries (collectively the "Group") set out on pages 36 to 105, which comprise the balance sheets of the Group and the Company as at 31 December 2015, the statement of changes in equity of the Group 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 financial statements and to maintain accountability of assets.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 qualified audit opinion.

Basis for Qualified Opinion

We were appointed auditors of the Group on 7 September 2015. Consequently we were not able to observe the counting of the physical inventories at the beginning of the year or satisfy ourselves concerning those inventory quantities via alternative means. The closing balance of the inventories for year ended 31 December 2014 was carried forward to form the opening balance of the inventories for the year ended 31 December 2015. Since opening inventories affect the determination of the cost of sales for the year ended 31 December 2015, we were unable to determine whether adjustments to the cost of sales and opening retained earnings might be necessary for 2015. Any adjustment to this figure would have a consequential effect on the results of the operations for the year ended 31 December 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2014 were audited by another auditor who expressed an unqualified opinion on those statements on 11 August 2015.

Report on other legal and regulatory requirements

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

1 April 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the financial year ended 31 December 2015

	Note	GROUP 2015 $	GROUP 2014 $
Revenue	4	**84,691,626**	77,701,548
Cost of sales		**(54,161,014)**	(49,327,957)
Gross profit		**30,530,612**	28,373,591
Other income	7	**9,614,025**	8,803,367
Expenses			
– Distribution and marketing		**(13,205,392)**	(12,425,377)
– Administrative		**(20,736,384)**	(20,301,662)
– Finance	8	**(176,854)**	(144,983)
Share of profit of joint ventures – net of tax		**12,268,382**	19,037,066
Share of profit of associated companies – net of tax		**–**	38,352
Profit before income tax		**18,294,389**	23,380,354
Income tax expense	9	**(152,575)**	(276,799)
Net profit		**18,141,814**	23,103,555
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets – fair value gains		**–**	8,405
Currency translation differences arising from consolidation – gains		**1,279,667**	627,523
Other comprehensive income, net of tax		**1,279,667**	635,928
Total comprehensive income		**19,421,481**	23,739,483
Profit attributable to:			
Equity holders of the Company		**16,674,682**	22,066,330
Non-controlling interests		**1,467,132**	1,037,225
		18,141,814	23,103,555
Total comprehensive income attributable to:			
Equity holders of the Company		**17,617,248**	22,534,903
Non-controlling interests		**1,804,233**	1,204,580
		19,421,481	23,739,483
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
Basic earnings per share	10(a)	**7.87**	11.22
Diluted earnings per share	10(b)	**7.68**	10.42

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

BALANCE SHEETS As at 31 December 2015

	Note	GROUP 2015 $	GROUP 2014 $	COMPANY 2015 $	COMPANY 2014 $
ASSETS					
Current assets					
Cash and bank balances	11	**108,247,413**	92,227,640	**95,943,642**	76,789,564
Available-for-sale financial assets	12	**18,795**	23,979	**18,795**	23,979
Trade and other receivables	13	**20,047,836**	32,576,738	**10,561,460**	24,641,873
Inventories	14	**19,772,928**	18,456,970	**–**	–
Gross amount due from customers for contract work-in-progress	15	**164,184**	89,502	**–**	–
		148,251,156	143,374,829	**106,523,897**	101,455,416
Non-current assets					
Trade and other receivables	13	**336,707**	421,206	**–**	–
Investments in associated companies	16	**6**	6	**4**	4
Investments in joint ventures	17	**38,400,651**	31,026,019	**1,137,502**	1,137,502
Investments in subsidiaries	18	**–**	–	**3,935,623**	3,716,309
Property, plant and equipment	19	**1,969,578**	1,770,238	**529,963**	181,704
Intangible assets	20	**161,000**	161,000	**161,000**	161,000
		40,867,942	33,378,469	**5,764,092**	5,196,519
Total assets		**189,119,098**	176,753,298	**112,287,989**	106,651,935
LIABILITIES					
Current liabilities					
Trade and other payables	21	**21,081,688**	20,396,245	**6,781,851**	4,533,254
Borrowings	22	**9,896,927**	12,395,469	**9,636,201**	8,470,211
Obligations under finance leases	23	**31,148**	57,805	**–**	19,000
Gross amount due to customers for contract work-in-progress	15	**2,657,913**	3,748,737	**–**	–
Current income tax liabilities		**419,692**	543,905	**–**	–
Deferred income	24	**3,249,874**	3,249,874	**3,249,874**	3,249,874
		37,337,242	40,392,035	**19,667,926**	16,272,339
Non-current liabilities					
Obligations under finance leases	23	**8,391**	16,998	**–**	–
Deferred income	24	**4,603,987**	7,853,860	**4,603,987**	7,853,860
Deferred income tax liabilities	25	**24,531**	93,731	**–**	69,200
		4,636,909	7,964,589	**4,603,987**	7,923,060
Total liabilities		**41,974,151**	48,356,624	**24,271,913**	24,195,399
Net assets		**147,144,947**	128,396,674	**88,016,076**	82,456,536
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	**33,744,505**	32,459,456	**33,744,505**	32,459,456
Other reserves	27	**2,149,836**	1,436,487	**1,426,935**	1,656,152
Retained earnings	28	**107,084,549**	91,790,907	**52,844,636**	48,340,928
		142,978,890	125,686,850	**88,016,076**	82,456,536
Non-controlling interests		**4,166,057**	2,709,824	**–**	–
Total equity		**147,144,947**	128,396,674	**88,016,076**	82,456,536

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the financial year ended 31 December 2015

	Attributable to equity holders of the Company								
	Share capital	Employee share option reserve	Warrants reserve	Fair value reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	$	$	$	$	$	$	$	$	$
2015									
Beginning of financial year	32,459,456	1,656,152	–	–	(219,665)	91,790,907	125,686,850	2,709,824	128,396,674
Employee share option scheme (Note 27 (b)(i))	–	230,633	–	–	–	–	230,633	–	230,633
Issue of new shares	1,285,049	(459,850)	–	–	–	–	825,199	–	825,199
Dividend paid (Note 29)	–	–	–	–	–	(1,381,040)	(1,381,040)	(348,000)	(1,729,040)
Total comprehensive income for the year	–	–	–	–	942,566	16,674,682	17,617,248	1,804,233	19,421,481
End of financial year	**33,744,505**	**1,426,935**	**–**	**–**	**722,901**	**107,084,549**	**142,978,890**	**4,166,057**	**147,144,947**
2014									
Beginning of financial year	27,309,824	1,590,588	255,435	(8,405)	(679,833)	70,883,476	99,351,085	2,496,843	101,847,928
Employee share option scheme (Note 27 (b)(i))	–	557,049	–	–	–	–	557,049	–	557,049
Issue of new shares	5,149,632	(491,485)	(255,435)	–	–	–	4,402,712	–	4,402,712
Dividend paid (Note 29)	–	–	–	–	–	(1,158,899)	(1,158,899)	(991,599)	(2,150,498)
Total comprehensive income for the year	–	–	–	8,405	460,168	22,066,330	22,534,903	1,204,580	23,739,483
End of financial year	**32,459,456**	**1,656,152**	**–**	**–**	**(219,665)**	**91,790,907**	**125,686,850**	**2,709,824**	**128,396,674**

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 2015

	Note	GROUP 2015 $	GROUP 2014 $
Cash flows from operating activities			
Net profit		**18,141,814**	23,103,555
Adjustments for:			
– Income tax expense	9	**152,575**	276,799
– Employee share option expense	6	**230,633**	557,049
– Amortisation of deferred income	7	**(3,249,873)**	(3,249,874)
– Allowance for impairment of trade and other receivables	32(b)	**540,956**	212,157
– Bad debts recovered	7	**(242,878)**	(83,727)
– Depreciation	5	**887,283**	542,791
– Dividend income from investment in quoted shares – available-for-sale financial assets	7	**(342)**	(306)
– Property, plant and equipment written off		**–**	89,349
– Allowance for stock obsolescence	5	**130,765**	259,088
– Gain on disposal of property, plant and equipment	7	**(35,705)**	(203)
– Gain on disposal of club membership		**–**	(14,010)
– Loss on disposal of available-for-sale financial assets		**–**	8,750
– Reversal of impairment loss on available-for-sale financial assets	12	**5,184**	(2,903)
– Interest income		**(1,405,221)**	(1,191,681)
– Finance expenses	8	**176,854**	144,983
– Share of profit of joint ventures – net of tax		**(12,268,382)**	(19,037,066)
– Share of profit of associated companies – net of tax		**–**	(38,352)
– Unrealised exchange differences		**1,268,130**	609,882
		4,331,793	2,186,281
Change in working capital:			
– Trade and other receivables		**(541,292)**	686,202
– Inventories		**(1,446,723)**	(3,165,061)
– Contract work-in-progress		**(1,165,506)**	108,428
– Trade and other payables		**(2,615,972)**	345,662
Cash (used in)/generated from operations		**(1,437,700)**	161,512
Income tax paid		**(345,988)**	(663,798)
Net cash used in operating activities		**(1,783,688)**	(502,286)

CONSOLIDATED STATEMENT OF CASH FLOWS For the financial year ended 31 December 2015

	Note	GROUP 2015 $	2014 $
Cash flows from investing activities			
Dividend income received from investment in quoted shares – available-for-sale financial assets	7	**342**	306
Dividend income received from associated companies		**–**	396,000
Dividend income received from joint ventures		**4,893,750**	718,750
Loans to associated companies		**(831,118)**	(8,091,588)
Repayment of loans to joint ventures		**14,010,398**	4,107,425
Proceeds from redemption of available-for-sale financial assets		**–**	500,000
Proceeds from disposal of club membership		**–**	202,010
Disposal of property, plant and equipment		**42,143**	896
Additions to property, plant and equipment		**(188,739)**	(727,579)
Fixed deposits with maturity of more than three months		**(13,890,098)**	1,006,500
Interest received		**1,082,556**	1,104,745
Net cash provided by/(used in) investing activities		**5,119,234**	(782,535)
Cash flows from financing activities			
Advances from joint ventures		**2,450,000**	–
Proceeds from bank borrowings		**34,412,963**	33,694,675
Repayment of bank borrowings		**(36,911,505)**	(24,198,541)
Net proceeds from issuance of shares		**825,199**	4,402,712
Fixed deposits pledged		**(2,041,242)**	(10,520,244)
Repayment of finance leases		**(63,580)**	(94,460)
Interest paid		**(176,854)**	(144,983)
Dividends paid to equity holders of the Company	29	**(1,381,040)**	(1,158,899)
Dividends paid to non-controlling interests		**(348,000)**	(991,599)
Net cash (used in)/provided by financing activities		**(3,234,059)**	988,661
Net decrease in cash and cash equivalents		**101,487**	(296,160)
Cash and cash equivalents at beginning of financial year		**10,279,156**	10,560,138
Effect of currency translation on cash and cash equivalents		**(13,054)**	15,178
Cash and cash equivalents at end of financial year	11	**10,367,589**	10,279,156

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

1. Corporate information

Nobel Design Holdings Ltd (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 16 Tai Seng Street, Singapore 534138.

The principal activities of the Company are those of interior designers and renovators and manufacturers of furniture. The principal activities of its associated companies, joint ventures and subsidiaries are disclosed in Notes 16, 17 and 18 respectively in the notes to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements are presented in Singapore Dollars (SGD or $) except when otherwise indicated.

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

2.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards that are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 16 and FRS 41 *Agriculture: Bearer Plants*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(c) Amendments to FRS 19 *Employee Benefits*	1 January 2016
(d) Amendments to FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entity: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Except for FRS 115 and FRS 109, 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 115 and FRS 109 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a 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 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 when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 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.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

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 standard on the required effective date.

2.4 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is also the Company's functional currency.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the respective functional currencies of the Company and its subsidiaries using the exchange rates at the dates of the transactions. Currency exchange differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the rate of exchange ruling at the balance sheet date are recognised in profit or loss.

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 and loss.

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

2. Summary of significant accounting policies (continued)

2.4 Currency translation (continued)

(c) Translation of Group entities' financial statements

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

(i) assets and liabilities are translated at the rate of exchange ruling at the reporting date;

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

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

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of rebates and discounts, and after eliminating sales within the Group. Revenue excludes value-added taxes.

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

(a) Sale of goods – Trading income

Sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customers which generally coincides with delivery and acceptance of the goods sold.

(b) Rendering of service – Revenue on project contracts

Revenue from interior design, renovation and furnishing contracts is recognised using the percentage of completion method. Under the percentage of completion method, contract income is recognised by reference to the actual service provided as proportion of the total services to be performed on each contract, after making appropriate provision for uncertainties and estimated costs to complete. Progress billings are shown as a deduction from costs. Contract costs comprise direct materials, direct labour costs, sub-contractors' costs and those indirect costs related to contract performance. General and administrative costs are expensed when incurred. Provision for foreseeable losses on uncompleted contracts is made in the financial year in which such losses are determined.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

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

2. Summary of significant accounting policies (continued)

2.5 Revenue recognition (continued)

(e) Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(f) Commission income, parking fee income and management fee

Commission income, parking fee income and management fee are recognised when services are rendered.

2.6 Group accounting

(a) Subsidiaries

(i) 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.

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

In preparing the consolidated financial statements, all intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

2. Summary of significant accounting policies (continued)

2.6 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals

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

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

The accounting policy on investments in subsidiaries in the separate financial statements of the Company is set out in Note 2.11 to the financial statements.

(b) Transactions with non-controlling interests

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

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

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

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

2. Summary of significant accounting policies (continued)

2.6 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(ii) Equity method of accounting

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

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. The financial statements of the associated companies and joint ventures are prepared as the same reporting date as the Company. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

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

(iii) Disposals

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

The accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company is set out in Note 2.11 to the financial statements.

2.7 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

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

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Summary of significant accounting policies (continued)

2.7 Property, plant and equipment (continued)

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold improvements	3 – 5 years
Equipment	3 – 5 years
Furniture and office equipment	3 – 5 years
Motor vehicles	5 years

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

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

(c) Subsequent expenditure

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

(d) Disposal

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

2.8 Intangible assets

Club memberships are initially recognised at cost and are subsequently carried at cost less accumulated impairment losses.

2.9 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the acquisition or construction of qualifying assets. Borrowing costs that are directly attributable to acquisition and construction of qualifying assets are capitalised as part of the assets. Capitalisation of borrowing costs commences when activities to prepare the assets are in progress until the asset is ready for its intended use.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.10 Construction contracts – renovation contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

2. Summary of significant accounting policies (continued)

2.10 Construction contracts – renovation contracts (continued)

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are shown as contract work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognised profits (less recognised losses) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as gross amount due from customers for contract work-in-progress within current assets. Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as gross amount due to customers for contract work-in-progress within current liabilities.

2.11 Investments in subsidiaries, associated companies and joint ventures

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

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is any objective evidence or indication that intangible assets, property, plant and equipment and investments in subsidiaries, associated companies and joint ventures may be impaired. If any indication exists, the Group makes an estimate of the asset's recoverable amount.

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

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

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

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

A reversal of impairment loss for an asset is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.13 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:

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

(i) Loans and receivables

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

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity 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. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

2. Summary of significant accounting policies (continued)

2.13 Financial instruments (continued)

(a) Financial assets (continued)

Impairment

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

(i) Loans and receivables

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

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described above, a significant or prolonged decline in the fair value of an equity security below its cost is an objective evidence of impairment that the available-for-sale financial asset is impaired.

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

De-recognition

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

2. Summary of significant accounting policies (continued)

2.13 Financial instruments (continued)

(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 method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

De-recognition

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

(c) Offsetting of financial instruments

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

2.14 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries and joint ventures. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries and joint ventures fail to make principal or interest payments when due in accordance with the terms of their borrowings.

2.15 Fair value estimation of financial assets and liabilities

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

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

2. Summary of significant accounting policies (continued)

2.16 Leases

(a) When the Group is the lessee:

The Group leases motor vehicles under finance leases and warehouses, showrooms, land and office space under operating leases from non-related parties.

(i) Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee – Operating leases

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

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

(b) When the Group is the lessor:

The Group leases office space under operating leases to non-related parties.

(i) Lessor – Operating leases

Leases of leasehold land and building in which the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

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

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

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. 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 the estimated costs of completion and applicable variable selling expenses.

2. Summary of significant accounting policies (continued)

2.18 Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

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

2.19 Employee compensation

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

(a) Defined contribution plans

The Group participates in the national pension scheme in Singapore under which the Group pays fixed contributions to the Central Provident Fund scheme on a mandatory, contractual or voluntary basis. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued.

(c) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

2.20 Segment reporting

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

2. Summary of significant accounting policies (continued)

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and net of bank overdrafts (if any).

2.22 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.23 Share capital

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

2.24 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.25 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 substantially enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

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

(b) Deferred tax

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

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

2. Summary of significant accounting policies (continued)

2.25 Taxes (continued)

(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.

2.26 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.

3. Critical accounting estimates and assumptions

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.

3.1 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. Critical accounting estimates and assumptions (continued)

3.1 Key sources of estimation uncertainty (continued)

(a) Revenue on renovation contracts

The Group uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract.

Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

If the total contract values on uncompleted contracts at the balance sheet date had been higher/lower by 10% from management's estimates, the Group's revenue and profit before income tax would have been higher/lower by $1,327,426 (2014: $1,274,096).

If the contract costs of uncompleted contracts to be incurred had been higher/lower by 10% from management's estimates, the Group's profit before income tax would have been lower/higher by $842,070 (2014: $849,478).

(b) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, 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, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

If the net present values of estimated cash flows had been higher/lower by 10% from management's estimates for all past due loans and receivables, the allowance for impairment of the Group would have been higher/lower by $16,673 (2014: $39,989).

3.2 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Net realisable value for slow moving inventories

The management carries out an inventory review on a product-by-product basis at the end of each reporting period taking into account the age of inventory. Aged inventories with slow turnaround are written down to lower of cost and net realisable. The management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. As at 31 December 2015, management has written down approximately $130,765 (2014: $259,088) of its slow moving inventories. The carrying amount of inventories at the end of reporting year was $19,772,928 (2014: $18,456,970). Inventories are disclosed in Note 14 to the financial statements.

4. Revenue

	GROUP	
	2015	2014
	$	$
Interior and furniture	**35,308,544**	40,004,915
Supply chain	**49,383,082**	37,696,633
	84,691,626	77,701,548

Comparatives have been reclassified in accordance with the revised segment information as disclosed in Note 34 to the financial statements.

5. Profit before income tax

This is determined after charging/(crediting):

	GROUP	
	2015	2014
	$	$
Advertising and promotion	**2,665,699**	2,584,100
Fees on audit services paid/payable to:		
– Auditor of the Company	**112,800**	91,287
– Other auditors	**12,992**	15,571
Fees on non-audit services paid/payable to:		
– Auditor of the Company	**6,000**	4,000
Bank charges	**191,032**	194,363
Contract costs on renovation contracts	**8,761,234**	10,670,343
Legal and professional fee	**360,310**	105,780
Depreciation of property, plant and equipment (Note 19)	**887,283**	542,791
Employee compensation (Note 6)	**11,844,213**	13,673,006
Allowance for impairment of trade and other receivables (Note 32 (b))	**540,956**	212,157
Property tax	**1,125,279**	452,200
Rental expense on operating leases	**9,720,402**	9,452,744
Sales commission	**2,087,932**	1,794,884
Utilities	**427,711**	430,666
Allowance for stock obsolescence	**130,765**	259,088
Inventories recognised as an expense in cost of sales (Note 14)	**40,397,433**	34,604,254
Reversal of inventories written-down (Note 14)	**(400,906)**	(333,222)

6. Employee compensation

	GROUP	
	2015	2014
	$	$
Wages and salaries	**10,325,870**	11,967,831
Employer's contribution to defined contribution plans including Central Provident Fund	**849,111**	812,494
Directors' fee	**383,001**	292,000
Employee share option expense (Note 27 (b)(i))	**230,633**	557,049
Staff accommodation	**55,598**	43,632
	11,844,213	13,673,006

7. Other income

	GROUP	
	2015	2014
	$	$
Commission income	**7,935**	16,266
Dividend income from investment in quoted shares	**342**	306
Fixed deposit interest income	**1,343,236**	826,830
Interest income	**61,985**	364,851
Management fee from joint ventures	**54,000**	54,000
Parking fee income	**86,213**	97,727
Rental income	**3,728,753**	3,648,237
Write back of unclaimed trade payables more than 7 years old	**449,136**	77,391
Miscellaneous income	**353,969**	383,955
Amortisation of deferred income (Note 24)	**3,249,873**	3,249,874
Bad debts recovered	**242,878**	83,727
Gain on disposal of property, plant and equipment	**35,705**	203
	9,614,025	8,803,367

8. Finance expenses

	GROUP	
	2015	2014
	$	$
Bank loan interest	**105,689**	61,645
Finance lease interest	**4,687**	8,136
Trust receipts interest	**66,064**	74,864
Other interest	**414**	338
	176,854	144,983

9. Income tax expense

Tax expense attributable to profit is made up of:

	GROUP 2015 $	GROUP 2014 $
Consolidated statement of comprehensive income:		
Current income tax:		
– Current income tax	**419,311**	511,824
– Overprovision in respect of previous years	**(197,536)**	(235,025)
	221,775	276,799
Deferred income tax:		
– Overprovision in respect of previous years (Note 25)	**(69,200)**	–
	152,575	276,799

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

	GROUP 2015 $	GROUP 2014 $
Consolidated statement of comprehensive income		
Profit before income tax	**18,294,390**	23,380,354
Share of profit of joint ventures – net of tax	**(12,268,382)**	(19,037,066)
Share of profit of associated companies – net of tax	**–**	(38,352)
Profit before income tax and share of profit of associated companies and joint ventures	**6,026,008**	4,304,936
Tax calculated at tax rate of 17% (2014: 17%)	**1,024,421**	731,839
Effects of:		
– Different tax rates in other countries	**59,140**	(7,810)
– Expenses not deductible for tax purposes	**1,183,576**	237,663
– Income not subject to tax	**(689,344)**	(631,581)
– Deferred tax assets not recognised	**551,963**	321,020
– Benefits from previously unrecognised tax losses and temporary differences	**(1,613,960)**	(26,928)
– Overprovision in prior years income tax	**(266,736)**	(235,025)
– Effect of partial tax exemption, relief and rebates	**(96,485)**	(111,523)
– Other	**–**	(856)
Income tax expense recognised in profit or loss	**152,575**	276,799

10. Earnings per share

(a) Basic earnings per share

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

	GROUP	
	2015	2014
	$	$
Net profit attributable to equity holders of the Company	**16,674,682**	22,066,330
Weighted average number of ordinary shares outstanding for basic earnings per share	**211,816,697**	196,745,111
Basic earnings per share (cents per share)	**7.87**	11.22

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, net profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: warrants and share options.

Warrants are assumed to have been converted into ordinary shares at issuance.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

10. Earnings per share (continued)

(b) Diluted earnings per share (continued)

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	GROUP 2015 $	GROUP 2014 $
Net profit attributable to equity holders of the Company	**16,674,682**	22,066,330
Weighted average number of ordinary shares outstanding for basic earnings per share	**211,816,697**	196,745,111
Effects of dilution:		
– Share options	**5,313,266**	3,496,996
– Warrants	**–**	11,605,641
Weighted average number of ordinary shares for diluted earnings per share computation	**217,129,963**	211,847,748
Diluted earnings per share (cents per share)	**7.68**	10.42

Since the end of the financial year, directors have exercised the employee share options to acquire Nil (2014: 2,708,000) ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and up to the completion of these financial statements.

11. Cash and bank balances

	GROUP 2015 $	GROUP 2014 $	COMPANY 2015 $	COMPANY 2014 $
Cash at bank and on hand	**10,367,589**	10,279,156	**4,329,652**	2,844,914
Bank deposits	**97,879,824**	81,948,484	**91,613,990**	73,944,650
	108,247,413	92,227,640	**95,943,642**	76,789,564

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	GROUP 2015 $	GROUP 2014 $	COMPANY 2015 $	COMPANY 2014 $
Cash and bank balances (as above)	**108,247,413**	92,227,640	**95,943,642**	76,789,564
Less: Bank deposits pledged*	**(13,879,378)**	(11,838,136)	**(12,549,390)**	(10,515,841)
Less: Bank deposits with maturity more than 3 months but less than 12 months	**(84,000,446)**	(70,110,348)	**(79,064,600)**	(63,428,809)
Cash and cash equivalents per consolidated statement of cash flows	**10,367,589**	10,279,156	**4,329,652**	2,844,914

* Bank deposits are pledged in relation to the security granted for certain borrowings.

12. Available-for-sale financial assets

	GROUP AND COMPANY	
	2015	2014
	$	$
Equity securities (quoted)	**18,795**	23,979

The details of the quoted equity shares are as follows:

	GROUP AND COMPANY	
	2015	2014
	$	$
Equity securities – Singapore, at cost	**76,462**	76,462
Less: Allowance for impairment	**(57,667)**	(52,483)
End of financial year	**18,795**	23,979

The movement for allowance for impairment are as follows:

	GROUP AND COMPANY	
	2015	2014
	$	$
Beginning of financial year	**52,483**	55,386
Provision for/(reversal of) impairment loss	**5,184**	(2,903)
End of financial year	**57,667**	52,483

The Group has recognised an impairment loss of $5,184 (2014: reversal of impairment loss of $2,903) against the quoted securities in Singapore whose trade prices have been below cost for a prolonged period during the financial year.

13. Trade and other receivables

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Current				
Trade receivables				
– Non-related parties	**9,644,239**	9,450,491	**116,655**	116,658
– Subsidiaries	**–**	–	**1,415,202**	1,330,460
– Joint ventures	**12,373**	–	**–**	–
– Associated companies	**–**	74,547	**–**	–
	9,656,612	9,525,038	**1,531,857**	1,447,118
Less: Allowance for impairment of receivables (Note 32 (b)(ii))	**(1,017,096)**	(1,043,907)	**(1,531,857)**	(1,447,118)
Trade receivables – net	**8,639,516**	8,481,131	**–**	–

13. Trade and other receivables (continued)

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Other receivables				
– Subsidiaries[1]	**–**	–	**5,439,401**	7,179,686
– Loans to joint ventures[2]	**–**	14,010,398	**–**	14,010,398
– Loans to associated companies[2]	**8,939,831**	8,091,900	**5,611,950**	4,789,366
– Sundry receivables	**571,456**	365,288	**504,986**	88,883
– Interest receivables	**762,274**	439,609	**737,817**	421,590
	10,273,561	22,907,195	**12,294,154**	26,489,923
Less: Allowance for impairment of receivables (Note 32 (b)(ii))	**(39,184)**	(156,072)	**(2,063,322)**	(2,158,772)
Non-trade receivables – net	**10,234,377**	22,751,123	**10,230,832**	24,331,151
Deposits	**634,975**	525,082	**307,399**	307,722
Prepayments	**538,968**	819,402	**23,229**	3,000
	1,173,943	1,344,484	**330,628**	310,722
Trade and other receivables (current)	**20,047,836**	32,576,738	**10,561,460**	24,641,873
Non-current				
Deposits	**336,707**	421,206	**–**	–
Total trade and other receivables	**20,384,543**	32,997,944	**10,561,460**	24,641,873
Add: Cash and bank balances	**108,247,413**	92,227,640	**95,943,642**	76,789,564
Less: Prepayments	**(538,968)**	(819,402)	**(23,229)**	(3,000)
Total loans and receivables	**128,092,988**	124,406,182	**106,481,873**	101,428,437

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

2 Loans to joint ventures and associated companies are unsecured, interest free and repayable on demand, except for certain loans of approximately $Nil (2014: $8,795,282) which is bearing an interest between 2% to 3% per annum.

The fair values of non-current deposits receivable approximate their carrying value.

14. Inventories

	GROUP	
	2015	2014
	$	$
Merchandise	**15,168,448**	13,199,352
Goods in transit	**4,604,480**	5,257,618
	19,772,928	18,456,970

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $40,397,433 (2014: $34,604,254).

The Group reversed $400,906 (2014: $333,222) of a previous write down of inventories as the inventories were sold above their carrying amounts.

The Group has written down $130,765 (2014: $259,088) during the financial year.

15. Gross amount due from/(to) customers for contract work-in-progress

	GROUP	
	2015	2014
	$	$
Aggregate costs incurred and profits recognised (less losses recognised) to date on uncompleted construction contracts	**6,983,262**	6,466,856
Less: Progress billings	**(9,476,991)**	(10,126,091)
	(2,493,729)	(3,659,235)
Presented as:		
Gross amount due from customers for contract work	**164,184**	89,502
Gross amount due to customers for contract work	**(2,657,913)**	(3,748,737)
	(2,493,729)	(3,659,235)

16. Investments in associated companies

	GROUP	
	2015	2014
	$	$
Investments in associated companies	**6**	6

	COMPANY	
	2015	2014
	$	$
Equity investments at cost:		
Beginning of financial year	**4**	800,000
Additions	**–**	4
Liquidation of associated companies	**–**	(800,000)
End of financial year	**4**	4

The investments in associated companies are not individually material.

16. Investments in associated companies (continued)

The carrying amount of the Group's interest in associated companies is as follows:

	GROUP	
	2015	2014
	$	$
Net assets		
At 1 January	**(32,046)**	2,924,112
Additional	**–**	236
Translation reserve	**(3)**	518
(Loss)/profit for the year	**(201,267)**	63,079
At 31 December	**(233,316)**	2,987,945
Less: Liquidations	**–**	(2,029,991)
Less: Dividends	**–**	(990,000)
	(233,316)	(32,046)
Interest in associated companies based on respective equity interests	**(56,379)**	(13,608)
Other adjustments	**56,385**	13,614
Carrying value of the Group's interest in associated companies	**6**	6

The Group has not recognised its share of profit/(losses) of associated companies as the Group's cumulative share of losses exceeded its interests in those entities and the Group has no obligation in respect of those losses.

The Group's share of profit/(losses) of associated companies and cumulative share of losses are as follows:

	GROUP			
	Cumulative share of losses brought-forward	Share of profit/(loss)	Exchange difference	Cumulative share of losses carry-forward
	$	$	$	$
2015				
Cove City Ltd	(5,596)	5,536	(124)	(184)
Alliance Stellar Ltd	(137)	(10,666)	31	(10,772)
Covent Garden Development Pte Ltd	(7,875)	(37,511)	(37)	(45,423)
	(13,608)	(42,641)	(130)	(56,379)
2014				
Cove City Ltd	–	(5,689)	93	(5,596)
Alliance Stellar Ltd	–	(139)	2	(137)
Covent Garden Development Pte Ltd	–	(8,050)	175	(7,875)
	–	(13,878)	270	(13,608)

16. Investments in associated companies (continued)

Details of investment in associated companies are as follows:

Name of associated companies	Principal activities	Country of incorporation/ place of business	Proportionate (%) ownership interest		Company Cost of investment	
			2015 **%**	2014 %	**2015** **$**	2014 $
Held by the Company						
Covent Garden Development Pte Ltd +	Property development in United Kingdom	Singapore	**40**	40	**4**	4
Held by a subsidiary – Momentum Creations Pte Ltd						
P.T. Marquis Sarana Cipta ^ *	Exporter and importer of furniture, and interior design consultancy and contract	Indonesia	**–**	50	**–**	–
					4	4
Held by a subsidiary – Affluent Apex Ltd						
Cove City Ltd +	Investment holdings	British Virgin Island	**25**	25	**–**	–
Alliance Stellar Ltd +	Investment holdings	British Virgin Island	**25**	25	**–**	–
Held by an associated company – Covent Garden Development Pte Ltd						
English Rose Estates (TS Holdings) Ltd #	Property development in United Kingdom	London, United Kingdom	**50**	50	**–**	–
Held by an associated company – English Rose Estates (TS Holdings) Ltd						
English Rose Estates (Tower Street) Ltd #	Property development in United Kingdom	London, United Kingdom	**100**	100	**–**	–

+ Audited by Ernst & Young, Singapore.
* The cost of investment in this associated company has been written off.
^ Not required to be audited by law of country of incorporation, company is dormant.
# Audited by JD Bregman & Co Ltd.

17. Investments in joint ventures

	GROUP	
	2015	2014
	$	$
Investments in joint ventures	**38,400,651**	31,026,019

	COMPANY	
	2015	2014
	$	$
Equity investments at cost		
Beginning and end of financial year	**1,137,502**	1,137,502

Details of investments in joint ventures are as follows:

Name of joint ventures	Principal activities	Country of incorporation/ place of business	Proportionate (%) ownership interest		Company Cost of investment	
			2015	2014	**2015**	2014
			%	%	**$**	$
Held by the Company						
Astrid Hill Residences Pte Ltd +	Property development	Singapore	**28¾**	28¾	**287,500**	287,500
Urban Lofts Pte Ltd +	Property development	Singapore	**35**	35	**350,000**	350,000
LVND Homes Pte Ltd +	Property development	Singapore	**25**	25	**250,000**	250,000
Alliance Land Pte Ltd +	Property development	Singapore	**25**	25	**250,000**	250,000
LVND Holdings Pte Ltd +	Investment holdings	Singapore	**25**	25	**2**	2
CABAS International Pte Ltd @	Design and manufacture of furniture	Singapore	**33⅓**	33⅓	**–**	–
					1,137,502	1,137,502
Held by a joint venture – LVND Holdings Pte Ltd						
LVND Hotels Pte Ltd +	Hotel management consultancy services	Singapore	**100**	100	**–**	–
LVND Investments Pte Ltd +	Property development	Singapore	**100**	100	**–**	–
LVND Management Services Pte Ltd *	Management services	Singapore	**100**	–	**–**	–

+ Audited by Ernst & Young, Singapore.
@ Not audited. CABAS International Pte Ltd is presently dormant.
* Audited by Law Piang Woon & Co.

17. Investments in joint ventures (continued)

Set out below is the summarised financial information for the joint ventures of the Group as at 31 December 2015 and 2014, which, in the opinion of the directors, is material to the Group.

	Urban Lofts Pte Ltd		LVND Homes Pte Ltd		Alliance Land Pte Ltd		LVND Holdings Pte Ltd and its subsidiaries	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	$	$	**$**	$	**$**	$	**$**	$
Summarised balance sheet								
Current assets	**81,007,323**	107,534,894	**158,378,261**	152,192,743	**17,873,081**	66,052,705	**133,900,751**	115,964,074
Includes:								
– Cash and cash equivalents	**2,894,284**	15,166,392	**34,583,514**	31,294,212	**7,883,414**	18,245,390	**10,302,490**	2,253,418
Current liabilities	**35,459,198**	27,368,389	**64,988,334**	2,841,924	**5,282,578**	35,903	**96,256,751**	83,345,486
Includes:								
– Financial liabilities (excluding trade and other payables)	**–**	–	**61,059,042**	–	**–**	–	**–**	–
– Other current liabilities (including trade and other payables)	**35,459,198**	27,368,389	**3,929,292**	2,841,924	**5,282,578**	35,903	**96,256,751**	83,345,486
Non-current assets	**–**	–	**–**	–	**–**	–	**88,817,923**	72,311,412
Non-current liabilities	**–**	40,418,567	**15,807,212**	108,426,445	**1,652,729**	39,344,012	**126,500,000**	104,000,000
Includes:								
– Financial liabilities (excluding trade and other payables)	**–**	40,418,567	**–**	80,951,328	**–**	34,525,000	**126,500,000**	104,000,000
– Other current liabilities (including trade and other payables)	**–**	–	**15,807,212**	27,475,117	**1,652,729**	4,819,012	**–**	–
Net assets	**45,548,125**	39,747,938	**77,582,715**	40,924,374	**10,937,774**	26,672,790	**(38,077)**	930,000

17. Investments in joint ventures (continued)

	Urban Lofts Pte Ltd		LVND Homes Pte Ltd		Alliance Land Pte Ltd		LVND Holdings Pte Ltd and its subsidiaries	
	2015 $	2014 $	**2015 $**	2014 $	**2015 $**	2014 $	**2015 $**	2014 $
Summarised statement of comprehensive income								
Revenue	**43,511,050**	85,082,695	**119,230,706**	86,294,866	**17,651,209**	72,608,976	**–**	–
Interest income	**16,199**	6,337	**1,334,486**	1,715,646	**–**	6,096	**25,800**	358,373
Interest expenses	**58,595**	199,450	**1,616,837**	1,410,710	**67,512**	–	**–**	21,145
Profit before income tax	**6,400,191**	20,985,586	**44,276,124**	42,682,060	**4,647,271**	18,346,524	**(964,597)**	223,323
Income tax expense	**(600,004)**	(3,221,510)	**(7,617,783)**	(7,255,950)	**(807,286)**	(2,763,911)	**(3,479)**	(90,522)
Total comprehensive income	**5,800,187**	17,764,076	**36,658,341**	35,426,110	**3,839,985**	15,582,613	**(968,076)**	132,801
Dividend	**–**	–	**–**	–	**4,893,750**	–	**–**	–

Total comprehensive income in aggregate for all individually immaterial joint ventures for the year ended 31 December 2015 amounted to $848 (2014: $34,259).

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint ventures.

17. Investments in joint ventures (continued)

	Urban Lofts Pte Ltd		LVND Homes Pte Ltd		Alliance Land Pte Ltd		LVND Holdings Pte Ltd and its subsidiaries		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Reconciliation of summarised financial information										
Net assets										
At 1 January	**39,747,938**	21,983,862	**40,924,374**	5,498,264	**26,672,790**	11,090,177	**930,000**	797,199	**108,275,102**	39,369,502
Dividend	**–**	–	**–**	–	**(19,575,000)**	–	**–**	–	**(19,575,000)**	–
Profit for the year	**5,800,187**	17,764,076	**36,658,341**	35,426,110	**3,839,985**	15,582,613	**(968,076)**	132,801	**45,330,437**	68,905,600
At 31 December	**45,548,125**	39,747,938	**77,582,715**	40,924,374	**10,937,775**	26,672,790	**(38,076)**	930,000	**134,030,539**	108,275,102
Interest in joint ventures	**15,941,844**	13,911,778	**19,395,679**	10,231,094	**2,734,444**	6,668,198	**(9,519)**	232,500	**38,062,448**	31,043,570
Elimination of interest on project loans to joint ventures	**–**	(218,239)	**–**	(136,667)	**–**	–	**–**	–	**–**	(354,906)
	15,941,844	13,693,539	**19,395,679**	10,094,427	**2,734,444**	6,668,198	**(9,519)**	232,500	**38,062,448**	30,688,664
Add:										
Carrying value of individually immaterial joint ventures									**338,203**	337,355
Carrying value of Group's interest in joint ventures									**38,400,651**	31,026,019

18. Investments in subsidiaries

	COMPANY	
	2015	2014
	$	$
Equity investments at cost		
Beginning of financial year	**5,828,309**	5,828,306
Additions	**–**	3
	5,828,309	5,828,309
Less: Allowance for impairment	**(1,892,686)**	(2,112,000)
End of financial year	**3,935,623**	3,716,309

The movement for allowance for impairment are as follows:

	COMPANY	
	2015	2014
	$	$
Beginning of financial year	**2,112,000**	2,112,000
Reversal of allowance for impairment – net	**(219,314)**	–
End of financial year	**1,892,686**	2,112,000

Details of subsidiaries held by the Company are as follows:

Name of subsidiaries	Principal activities	Country of incorporation/ place of business	Proportionate (%) ownership interest		Company Cost of investment	
			2015	2014	**2015**	2014
			%	%	**$**	$
Held by the Company						
Boss Design International Pte Ltd +	Furniture retailing, interior renovators and designers	Singapore	**100**	100	**339,400**	339,400
Home2be Pte Ltd +	Retailing of furniture and household accessories	Singapore	**75.2**	75.2	**395,200**	395,200
Marquis Furniture Gallery Pte Ltd +	Furniture retailing and interior designers	Singapore	**100**	100	**430,000**	430,000
Momentum Creations Pte Ltd +	Retailers of designer furniture	Singapore	**84.2**	84.2	**133,047**	133,047

18. Investments in subsidiaries (continued)

Details of subsidiaries held by the Company are as follows (continued):

Name of subsidiaries	Principal activities	Country of incorporation/ place of business	Proportionate (%) ownership interest		Company Cost of investment	
			2015 **%**	2014 %	**2015** **$**	2014 $
Held by the Company						
Nobel Projects Pte Ltd +	Supply and installation of wardrobes, kitchens and other wooden joinery and fittings	Singapore	**65**	65	**649,999**	649,999
Affluent Apex Ltd +	Investment holdings	British Virgin Island	**100**	100	**3**	3
Nobel Design Sdn Bhd + +	Interior design contractors	Brunei	**52**	52	**260,000**	260,000
Nobel Design House (M) Sdn Bhd + + +	Interior design contractors	Malaysia	**100**	100	**51,500**	51,500
Nobel Reka Cipta Sdn Bhd + + +	Interior design contractors	Malaysia	**100**	100	**38,540**	38,540
Seni Reka Nobel Sdn Bhd + + +	Furniture retailing and interior design contractors	Malaysia	**100**	100	**285,000**	285,000
Buylateral Group Pte Ltd + ; ^ ^	Trading and distribution on an e-commerce platform for furniture, accessories, fabric and furnishings for the business-to-business (B2B) market	Singapore	**73.15**	73.15	**3,165,620**	3,165,620
Numero Uno Creative Group Pte Ltd +	Interior design services, furniture manufacturer, turnkey projects and project management	Singapore	**80**	80	**80,000**	80,000
					5,828,309	5,828,309

18. Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of incorporation/ place of business	Proportionate (%) ownership interest		Company Cost of investment	
			2015 %	2014 %	**2015 $**	2014 $
<u>Held by a subsidiary – Marquis Furniture Gallery Pte Ltd</u>						
Marquis HQO Pte Ltd +	Retailer of office furniture, leather chairs and other office accessories	Singapore	**90**	90	**–**	–
<u>Held by a subsidiary – Buylateral Group Pte Ltd</u>						
Buylateral.Com (M) Sdn Bhd +++	Wholesaler and internet retailers of furniture, accessories, fabric and furnishing	Malaysia	**100**	100	**–**	–
Target Marketing Systems, Inc. +	Trading and distribution on an e-commerce platform for furniture, accessories, fabric and furnishing for the business-to-business (B2B) market	United States of America	**100**	100	**–**	–

^^ In 2006, Nobel Design Holdings Ltd acquired the entire 65,577 Series A redeemable convertible preference shares. Accordingly, the company became a subsidiary of Nobel Design Holdings Ltd, which is also the ultimate holding company.
\+ Audited by Ernst & Young, Singapore.
++ Audited by Deloitte & Touche, Brunei Darussalam.
+++ Audited by Roger Yue, Tan & Associates, Malaysia.

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

	GROUP	
	2015 $	2014 $
Carrying value of non-controlling interests		
Buylateral Group Pte Ltd and its subsidiaries	**3,534,877**	2,368,594
Other subsidiaries with immaterial non-controlling interests	**631,180**	341,230
	4,166,057	2,709,824

During the financial year end 31 December 2015, the Group has paid dividend of $348,000 (2014: $991,599) to non-controlling interests.

18. Investments in subsidiaries (continued)

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for Buylateral Group Pte Ltd that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

There were no transactions with non-controlling interests for the financial years ended 31 December 2015 and 2014.

	Buylateral Group Pte Ltd and its subsidiaries	
	2015	2014
	$	$
Summarised balance sheet		
Current		
Assets	**20,023,321**	18,539,557
Liabilities	**(7,477,874)**	(10,242,542)
Total current net assets	**12,545,447**	8,297,015
Non-current		
Assets	**628,222**	541,564
Liabilities	**(8,391)**	(16,998)
Total non-current net assets	**619,831**	524,566
Net assets	**13,165,278**	8,821,581
Summarised statement of comprehensive income		
Revenue	**49,383,082**	37,696,633
Profit before income tax	**3,088,198**	1,774,514
Income tax expense	**–**	–
Net profit	**3,088,198**	1,774,514
Other comprehensive income	**1,255,499**	623,295
Total comprehensive income	**4,343,697**	2,397,809
Summarised statement of cash flows		
Net cash generated from/(used in) operation activities	**3,733,005**	(520,826)
Net cash used in investing activities	**(45,675)**	(375,629)
Net cash (used in)/generated from financing activities	**(3,527,297)**	829,482
Net increase/(decrease) in cash and cash equivalent	**160,033**	(66,982)
Cash and cash equivalent at beginning of year	**446,667**	499,012
Effect on currency translation on cash and cash equivalent	**28,965**	14,637
Cash and cash equivalent at end of year	**635,665**	446,667

19. Property, plant and equipment

Group	Leasehold improvements	Furniture and office equipment	Equipment	Motor vehicle	Total
	$	$	$	$	$
Cost					
As at 31 December 2013	1,514,987	1,315,835	298,006	919,943	4,048,771
Currency translation differences	460	9,725	6,851	–	17,036
Additions	295,860	192,670	258,246	27,140	773,916
Disposals	–	(1,704)	–	–	(1,704)
Written off	(125,521)	(6,760)	–	–	(132,281)
As at 31 December 2014	1,685,786	1,509,766	563,103	947,083	4,705,738
Currency translation differences	713	24,292	28,315	1,850	55,170
Additions	942,830	78,899	25,172	18,425	1,065,326
Disposals	–	–	(25,264)	(62,735)	(87,999)
Written off	(24,927)	(32,526)	–	–	(57,453)
As at 31 December 2015	**2,604,402**	**1,580,431**	**591,326**	**904,623**	**5,680,782**
Accumulated depreciation					
As at 31 December 2013	667,797	932,741	212,301	609,240	2,422,079
Currency translation differences	441	7,227	6,798	107	14,573
Depreciation charge (Note 5)	224,882	142,154	35,294	140,461	542,791
Disposals	–	(1,011)	–	–	(1,011)
Written off	(39,340)	(3,592)	–	–	(42,932)
As at 31 December 2014	853,780	1,077,519	254,393	749,808	2,935,500
Currency translation differences	1,662	12,563	12,850	360	27,435
Depreciation charge (Note 5)	540,094	156,696	83,116	107,377	887,283
Disposals	–	–	(18,826)	(62,735)	(81,561)
Written off	(24,927)	(32,526)	–	–	(57,453)
As at 31 December 2015	**1,370,609**	**1,214,252**	**331,533**	**794,810**	**3,711,204**
Carrying value					
As at 31 December 2014	832,006	432,247	308,710	197,275	1,770,238
As at 31 December 2015	**1,233,793**	**366,179**	**259,793**	**109,813**	**1,969,578**

19. Property, plant and equipment (continued)

Company	Leasehold improvements	Furniture and office equipment	Equipment	Motor vehicle	Total
	$	$	$	$	$
Cost					
As at 31 December 2013	125,010	648,291	–	262,001	1,035,302
Additions	–	16,240	–	–	16,240
Disposals	–	(1,385)	–	–	(1,385)
As at 31 December 2014	125,010	663,146	–	262,001	1,050,157
Additions	600,000	–	–	–	600,000
As at 31 December 2015	**725,010**	**663,146**	**–**	**262,001**	**1,650,157**
Accumulated depreciation					
As at 31 December 2013	17,627	556,962	–	187,768	762,357
Depreciation charge	25,002	29,502	–	52,400	106,904
Disposals	–	(808)	–	–	(808)
As at 31 December 2014	42,629	585,656	–	240,168	868,453
Depreciation charge	200,612	29,296	–	21,833	251,741
As at 31 December 2015	**243,241**	**614,952**	**–**	**262,001**	**1,120,194**
Carrying value					
As at 31 December 2014	82,381	77,490	–	21,833	181,704
As at 31 December 2015	**481,769**	**48,194**	**–**	**–**	**529,963**

During the year, the Group acquired property, plant and equipment with an aggregate cost of $1,065,326 (2014: $773,916) of which $25,172 (2014: $46,337) was acquired by means of finance lease arrangements and $851,415 (2014: $Nil) relates to reinstatement costs.

The Group's and Company's carrying amounts of motor vehicles held under finance leases are $58,089 (2014: $106,850) and $Nil (2014: $21,833) respectively at the balance sheet date.

20. Intangible assets

	GROUP AND COMPANY	
	2015	2014
	$	$
Club memberships, at cost	**161,000**	375,925
Less: Written off	**–**	(26,925)
Less: Disposal	**–**	(188,000)
End of financial year	**161,000**	161,000

21. Trade and other payables

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Trade payables to:				
– non-related parties	**5,327,103**	7,133,878	**41,851**	58,741
Other payables to:				
– non-related parties	**893,201**	990,316	**96,366**	66,091
– subsidiaries	**–**	–	**27,548**	27,548
– advances from joint ventures	**2,565,000**	115,000	**2,565,000**	115,000
– directors of subsidiaries[1]	**77,400**	520,600	**–**	–
Deposits received from customers	**4,164,252**	4,250,994	**748,229**	728,229
Provision for reinstatement cost	**851,415**	–	**600,000**	–
Accrued operating expenses	**7,203,317**	7,385,457	**2,702,857**	3,537,645
	15,754,585	13,262,367	**6,740,000**	4,474,513
Total trade and other payables	**21,081,688**	20,396,245	**6,781,851**	4,533,254
Add: Borrowings (Note 22)	**9,896,927**	12,395,469	**9,636,201**	8,470,211
Add: Obligations under finance leases (Note 23)	**39,539**	74,803	**–**	19,000
Less: Sales tax	**(287,346)**	(248,635)	**–**	–
Less: Provision for reinstatement cost	**(851,415)**	–	**(600,000)**	–
Total financial liabilities carried at amortised cost	**29,879,393**	32,617,882	**15,818,052**	13,022,465

The amounts due to subsidiaries, associated companies, joint ventures and directors of subsidiaries are unsecured, interest-free and repayable on demand.

(1) Directors of subsidiaries who are also non-controlling interests.

Movement in provision for reinstatement cost:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
As at 1 January	**–**	–	**–**	–
Arose during the financial year	**815,415**	–	**600,000**	–
As at 31 December	**815,415**	–	**600,000**	–

A provision is recognised for reinstatement cost of office, showroom and warehouse. It is expected that most of these costs will be incurred in the next three financial year.

22. Borrowings

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Current				
Bank loan	**9,636,201**	8,470,211	**9,636,201**	8,470,211
Bills payable to banks	**260,726**	3,925,258	**–**	–
Total borrowings	**9,896,927**	12,395,469	**9,636,201**	8,470,211

Bank loan

The bank loan has an interest rate of 0.40% per annum above the bank's cost of funds for interest periods of 1, 2 or 3 months and are secured by a pledge of certain fixed deposits in the name of the company, equivalent to not less than 120% of Singapore Dollars equivalent of the loan utilisation from time to time and interest thereon.

Bills payable to banks

The Group's bills payable to banks are secured by the followings:

(a) a pledge of fixed deposits of the Group amounting to about $603,393 (2014: $602,484) (Note 11);

(b) deed of debenture by way of fixed and floating charge over the subsidiary's present and future undertakings; and

(c) deed of assignment of credit insurance policies of a subsidiary.

Bankers guarantee ("BG")

The Group's BG are unsecured except for certain BGs which are secured by a pledge of fixed deposits of the Group amounting to about $726,595 (2014: $719,811) (Note 11).

23. Obligations under finance leases

The Group and the Company leases certain motor vehicles from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

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

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Minimum lease payments due				
Not later than one year	**32,594**	63,032	**–**	21,090
Later than one year but not later than five years	**8,798**	16,998	**–**	–
	41,392	80,030	**–**	21,090
Less: Future finance charges	**(1,853)**	(5,227)	**–**	(2,090)
Present value of finance lease liabilities	**39,539**	74,803	**–**	19,000

23. Obligations under finance leases (continued)

The present values of finance lease liabilities are analysed as follows:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Not later than one year	**31,148**	57,805	**–**	19,000
Later than one year but not later than five years	**8,391**	16,998	**–**	–
Total	**39,539**	74,803	**–**	19,000

The fair values of the non-current finance lease liabilities approximates their carrying amounts.

The average effective interest rate for the Group and the Company is between 4.00% to 5.00% (2014: 3.96% to 5.65%) and Nil (2014: 4.19% to 5.24%) per annum respectively.

24. Deferred income

	GROUP AND COMPANY	
	2015	2014
	$	$
Current	**3,249,874**	3,249,874
Non-current	**4,603,987**	7,853,860
Total	**7,853,861**	11,103,734

Movement of deferred income is as follows:

Beginning of financial year	**11,103,734**	14,353,608
Credited to profit and loss (Note 7)	**(3,249,873)**	(3,249,874)
End of financial year	**7,853,861**	11,103,734

In 2012, the Company entered into a sale and leaseback transaction for the property at 16, Tai Seng Street. The property was sold at a consideration of $59,250,000, which resulted in a gain of $48,479,441, out of which $17,150,000 was deferred due to the excess in sales price over the fair value of the property. The excess amount has been deferred and will be amortised in proportion to the lease payments over the lease period. The amortised deferred income recognised in the profit or loss amounted to $2,858,333 (2014: $2,858,333) and the balance of $6,907,639 (2014: $9,765,972) in the balance sheet as deferred income.

In 2013, the Company completed its Tranche 2 of the sale and leaseback transaction for the property at 16, Tai Seng Street. The consideration for Tranche 2 is $13,657,700, which resulted in a gain of $6,769,236 out of which $1,957,701 was deferred due to the excess in sales price over the fair value of the property. The excess amount has been deferred and will be amortised in proportion to the lease payments over the lease period. The amortised deferred income recognised in the profit or loss amounted to $391,540 (2014: $391,541) and the balance of $946,222 (2014: $1,337,762) in the balance sheet as deferred income.

25. Deferred income taxes

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

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Deferred income tax liabilities				
Differences in depreciation for tax purposes	**24,531**	93,731	**–**	69,200

The movement in deferred income tax liabilities is as follows:

	GROUP	
	2015	2014
	$	$
Overprovision in respect of previous years (Note 9)	69,200	–

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $21,248,826 (2014: $27,250,630) and capital allowances of $568,711 (2014: $355,908) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date.

There are no tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 29).

26. Share capital

	GROUP AND COMPANY	
	No. of ordinary shares	**Share capital**
		$
2015		
Beginning of financial year	**209,531,686**	32,459,456
Shares issued pursuant to the share option scheme	**3,191,000**	1,285,049
End of financial year	**212,722,686**	33,744,505
2014		
Beginning of financial year	**190,481,700**	27,309,824
Shares issued pursuant to the share option scheme and warrants	**19,049,986**	5,149,632
End of financial year	**209,531,686**	32,459,456

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

26. Share capital (continued)

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

During the financial year 2015;

(i) 1,609,000 share options were exercised and issued at $0.2061 each; and
(ii) 1,582,000 share options were exercised and issued at $0.3120 each.

During the financial year 2014;

(i) 2,310,000 share options were exercised and issued at $0.2061 each;
(ii) 932,000 share options were exercised and issued at $0.3120 each; and
(iii) 15,807,986 warrants were exercised and issued at $0.2300 each.

The newly issued shares rank *pari passu* in all respects with the previously issued shares.

27. Other reserves

(a) Composition:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Employee share option reserve	**1,426,935**	1,656,152	**1,426,935**	1,656,152
Currency translation reserve	**722,901**	(219,665)	**–**	–
	2,149,836	1,436,487	**1,426,935**	1,656,152

(b) Movements:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
i. Employee share option reserve				
Beginning of financial year	**1,656,152**	1,590,588	**1,656,152**	1,590,588
Employee share option scheme				
– Value of employee services (Note 6)	**230,633**	557,049	**230,633**	557,049
– Share options exercised	**(459,850)**	(491,485)	**(459,850)**	(491,485)
End of financial year	**1,426,935**	1,656,152	**1,426,935**	1,656,152

The Nobel Employee Share Option Scheme (the "Scheme") was approved by the shareholders at an Extraordinary General Meeting (EGM) held on 20 February 2008.

Under the Scheme, executive and non-executive directors and employees of the Company and its subsidiaries (including controlling shareholders and their associates, as defined in the SGX-ST Listing Manual) are eligible to participate in the Scheme as administered by the Remuneration Committee.

27. Other reserves (continued)

(b) Movements: (continued)

i. *Employee share option reserve* (continued)

Movements in the number of share options granted to controlling shareholders and directors and employees of the Company under the Scheme as at 31 December 2015, are as follows:

	Number of shares	
	2015	2014
Beginning of financial year	**13,247,716**	16,608,773
Share option exercised during the financial year	**(3,191,000)**	(3,242,000)
Share option forfeited and lapsed during the financial year	**(292,716)**	(119,057)
End of financial year	**9,764,000**	13,247,716

During the financial year, 3,191,000 (2014: 3,242,000) share options were exercised by employees. No options were granted during the year.

The share options granted on 5 March 2008, 8 December 2010, 29 March 2012 and 9 January 2013 are exercisable in 3 tranches as follows:

(i) up to 40% of the New Shares available in respect of the Discount Option between the second anniversary and the third anniversary of the Date of Grant;

(ii) up to 70% of the New Shares available in respect of the Discount Option between the third anniversary and the fourth anniversary of the Date of Grant; and

(iii) up to 100% of the New Shares available in respect of the Discount Option between the fourth anniversary and the fifth anniversary of the Date of Grant.

The share options granted on 25 May 2009 and 27 July 2009 are exercisable in 4 tranches as follows:

(i) up to 25% of the New Shares available in respect of the Market Price Option between the first anniversary and the second anniversary of the Date of Grant;

(ii) up to 50% of the New Shares available in respect of the Market Price Option between the second anniversary and the third anniversary of the Date of Grant;

(iii) up to 75% of the New Shares available in respect of the Market Price Option between the third anniversary and the fourth anniversary of the Date of Grant; and

(iv) up to 100% of the New Shares available in respect of the Market Price Option between the fourth anniversary and the fifth anniversary of the Date of Grant.

27. Other reserves (continued)

(b) Movements: (continued)

i. *Employee share option reserve* (continued)

The details of the options granted under the scheme to the directors of the Company as at 31 December 2015 are as follows:

Name of directors		Date of grant of option	Exercise price	Options granted and accepted	Options adjustment [1]	Total	Options exercised	Lapsed	Options balance
Wee Ai Quey	(a)	5-Mar-08	$0.1011 *	2,062,500	30,357	2,092,857	(2,092,000)	(857)	–
	(a)	8-Dec-10	$0.2061 *	1,050,000	30,000	1,080,000	(1,080,000)	–	–
	(a)	29-Mar-12	$0.3120 *	1,634,000	–	1,634,000	(653,000)	–	981,000
	(a)	9-Jan-13	$0.4000 *	723,000	–	723,000	–	–	723,000
Goon Eu Jin Terence	(a)	5-Mar-08	$0.1011 *	2,062,500	30,357	2,092,857	(2,092,000)	(857)	–
	(a)	8-Dec-10	$0.2061 *	1,300,000	37,143	1,337,143	(1,337,000)	(143)	–
	(a)	29-Mar-12	$0.3120 *	2,023,000	–	2,023,000	(809,000)	–	1,214,000
	(a)	9-Jan-13	$0.4000 *	900,000	–	900,000	–	–	900,000
Ong Ciu Hwa	(b)	25-May-09	$0.0875 ^	100,000	2,143	102,143	(102,000)	(143)	–
	(a)	8-Dec-10	$0.2061 *	980,000	28,000	1,008,000	(1,008,000)	–	–
	(a)	29-Mar-12	$0.3120 *	1,525,000	–	1,525,000	–	–	1,525,000
	(a)	9-Jan-13	$0.4000 *	680,000	–	680,000	–	–	680,000
Dr. Teh Ban Lian	(b)	25-May-09	$0.0875 ^	100,000	2,143	102,143	(102,000)	(143)	–
	(a)	8-Dec-10	$0.2061 *	180,000	5,143	185,143	(185,000)	(143)	–
	(a)	29-Mar-12	$0.3120 *	300,000	–	300,000	(120,000)	–	180,000
	(a)	9-Jan-13	$0.4000 *	120,000	–	120,000	–	–	120,000
Heng Chye Yam	(b)	25-May-09	$0.0875 ^	100,000	2,143	102,143	(102,000)	(143)	–
	(a)	8-Dec-10	$0.2061 *	150,000	4,286	154,286	(154,000)	(286)	–
	(a)	29-Mar-12	$0.3120 *	250,000	–	250,000	(100,000)	–	150,000
	(a)	9-Jan-13	$0.4000 *	100,000	–	100,000	–	–	100,000
Wong Soon Chiu	(b)	25-May-09	$0.0875 ^	100,000	2,857	102,857	(102,000)	(857)	–
	(a)	8-Dec-10	$0.2061 *	150,000	4,286	154,286	(154,000)	(286)	–
	(a)	29-Mar-12	$0.3120 *	250,000	–	250,000	(100,000)	–	150,000
	(a)	9-Jan-13	$0.4000 *	100,000	–	100,000	–	–	100,000
Chan Kum Leong	(a)	9-Jan-13	$0.4000 *	75,000	–	75,000	–	–	75,000

* The option was granted at a discount of 20% off market price of $0.130, $0.265, $0.390 and $0.500 respectively on the date of grant, which was then determined by reference to the daily official list published by SGX-ST for a period of 3 consecutive Market Days immediately prior to the relevant date of grant of the option. The option price for option granted on 5 March 2008 and 8 December 2010 was adjusted to $0.1011 and $0.2061 as a result of warrant issue.

^ The option was granted at market price of $0.09 on the date of grant, which was then determined by reference to the daily official list published by SGX-ST for a period of 3 consecutive Market Days immediately prior to the relevant date of grant of the option. The option price was adjusted to $0.0875 as a result of warrant issue.

[1] Options adjustments were made pursuant to the Nobel Employee Share Option Scheme Agreement when the Company issued new warrants in the financial year ended 31 December 2011.

27. Other reserves (continued)

(b) Movements: (continued)

i. *Employee share option reserve* (continued)

The fair value of the share options was estimated as of the grant date using the Black Scholes pricing model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used to value the share options on the following grant dates:

Date of grant	Date of expiry	Fair value of options granted ($)	Weighted average share price ($ per share)	Weighted average exercise price ($ per share)	Weighted average exercise price (adjusted) ($ per share)	Estimated volatility (%)	Expected life (years)	Risk-free rate (%)	Expected dividend yield (%)
05.03.2008*^	05.03.2013	479,393	0.130	0.104	0.1011	64%	5	1.41%	0%
25.05.2009^	25.05.2014	32,040	0.090	0.090	0.0875	54%	5	1.20%	0%
27.07.2009^	27.07.2014	6,302	0.080	0.080	0.0778	94%	5	1.20%	0%
08.12.2010*^	08.12.2015	814,317	0.265	0.212	0.2061	70%	5	1.20%	0%
29.03.2012*	29.03.2017	1,117,643	0.390	0.312	–	28%	5	3.00%	1.89%
09.01.2013*	09.01.2018	668,869	0.500	0.400	–	18%	5	0.30%	0.88%

* The option was granted at a discount of 20% off market price on the average exercise price.
^ These options have lapsed as at 31 December 2015.

The share price and exercise price at date of grant are based on volume-weighted share price for 3 consecutive trading days prior to the grant date. The expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 12 months. The risk-free interest rate is based on the 5 years zero-coupon Singapore Government bond yields on the date of grant.

The fair values of the options were determined using the Black Scholes pricing model with the above inputs.

The expense recognised during the year taken into the employee share option reserve amounted to $230,633 (2014: $557,049) (Note 6). The weighted average share price at the date of exercise of the options during the financial year was $0.4076 (2014: $0.5259).

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
ii. *Fair value reserve*				
Beginning of financial year	**–**	(8,405)	**–**	(8,405)
Available-for-sale financial assets				
Fair value gains/(losses)	**–**	8,405	**–**	8,405
End of financial year	**–**	–	**–**	–

Fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

27. Other reserves (continued)

(b) Movements: (continued)

	GROUP 2015 $	GROUP 2014 $	COMPANY 2015 $	COMPANY 2014 $
iii. Currency translation reserve				
Beginning of financial year	**(219,665)**	(679,833)	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries	**1,279,667**	627,523	**–**	–
Less: Non-controlling interests	**(337,101)**	(167,355)	**–**	–
End of financial year	**722,901**	(219,665)	**–**	–

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

	GROUP 2015 $	GROUP 2014 $	COMPANY 2015 $	COMPANY 2014 $
iv. Warrant issue reserve				
Beginning of financial year	**–**	255,435	**–**	255,435
Transfer to share capital	**–**	(255,435)	**–**	(255,435)
End of financial year	**–**	–	**–**	–

Warrant issue reserve represents the equity-settled warrants issued in FY2011. In the financial year ended 2014, 15,807,986 ordinary shares of the Company were issued for cash at $0.23 each pursuant to the exercise of the warrants by warrants' holders. The warrants expired on 21 October 2014.

28. Retained earnings

Movement in retained earnings for the Company is as follows:

	COMPANY 2015 $	COMPANY 2014 $
Beginning of financial year	**48,340,928**	45,324,963
Net profit	**5,884,748**	4,174,864
Dividends paid (Note 29)	**(1,381,040)**	(1,158,899)
End of financial year	**52,844,636**	48,340,928

29. Dividends

	COMPANY 2015 $	COMPANY 2014 $
Ordinary dividends paid		
Final dividend paid in respect of the previous financial year of 0.65 cents (2014: 0.6 cents) per share	1,381,040	1,158,899
Proposed but not recognised as a liability as at 31 December:		
First and final dividend of 0.56 cents (2014: 0.65 cents) per ordinary share	1,191,247	1,361,956

Proposed dividend per ordinary share is based on 212,722,686 and 209,531,686 ordinary shares as at 31 December 2015 and 2014 respectively. The proposed dividend will be recommended during the Annual General Meeting and is subject to shareholders' approval. The financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

30. Contingencies

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Corporate guarantees (based on facility amount)				
– Subsidiaries	**–**	–	**2,828,750**	2,828,750
– Joint ventures	**109,477,550**	94,423,800	**109,477,550**	94,423,800
	109,477,550	94,423,800	**112,306,300**	97,252,550

The Company has given corporate guarantees to certain banks and financial institutions for credit facilities granted to the subsidiaries and joint ventures (collectively known as the "borrowers"). The Company has evaluated the fair value of the corporate guarantees and is of the view that the consequential benefit derived from its guarantees to the banks and financial institutions with regard to the subsidiaries and joint ventures is minimal. The subsidiaries and joint ventures which received the loans for which the guarantees were provided are in favourable equity positions and are profitable.

The Group's share of the aggregate amount drawn down on these facilities as at 31 December 2015 is $56,763,109 (2014: $64,134,331). The Company's share of the aggregate amount drawn down on these facilities as at 31 December 2015 is $56,763,109 (2014: $66,576,085).

The Company was not required to fulfil any guarantee on the basis of default by the borrowers at the balance sheet date.

31. Commitments

(a) Capital commitments

Capital expenditures contracted by joint ventures for at the balance sheet date but not recognised in the financial statements of the joint ventures are as follows:

	GROUP	
	2015	2014
	$	$
Construction cost commitments	**11,432,189**	24,451,480

(b) Operating lease commitments – where the Group is a lessee

The Group and Company lease warehouses, showrooms, land and office space from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation and renewal rights.

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

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Not later than one year	**8,638,743**	8,700,056	**6,167,234**	6,099,759
Later than one year but not later than five years	**12,627,791**	19,885,910	**8,909,971**	15,261,799
	21,266,534	28,585,966	**15,077,205**	21,361,558

The operating lease expenses incurred by the Group and Company for rental of premises were about $9,720,402 (2014: $9,452,744) and $6,061,582 (2014: $5,972,523) respectively.

31. Commitments (continued)

(c) Operating lease commitments - where the Group is a lessor

The Group and Company lease out office space to non-related parties under non-cancellable operating leases.

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

	GROUP AND COMPANY	
	2015	2014
	$	$
Not later than one year	**1,287,228**	3,728,753
Later than one year but not later than five years	**429,076**	1,716,304
	1,716,304	5,445,057

32. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Market risk

(i) Currency risk

The Group operates in Asia Pacific with dominant operations in Singapore, Malaysia, Brunei Darussalam, United States of America and United Kingdom. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD"), United States Dollar ("USD"), Malaysian Ringgit ("MYR"), Euro ("EUR") and British Pound ("GBP"). The currency risk is mitigated to certain extent by the natural hedge between sales receipts and purchases, and operating expenses disbursement.

32. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure is as follows:

GROUP	SGD	USD	MYR	EUR	GBP	Others	Total
	$	$	$	$	$	$	$
2015							
Financial assets							
Cash and bank balances	106,190,597	618,020	623,554	–	815,242	–	108,247,413
Trade and other receivables	3,781,879	6,502,222	710,563	3,047	8,847,864	–	19,845,575
Available-for-sale financial assets	18,795	–	–	–	–	–	18,795
	109,991,271	7,120,242	1,334,117	3,047	9,663,106	–	128,111,783
Financial liabilities							
Trade and other payables (excluding provision and tax)	(13,961,076)	(4,800,541)	(551,120)	(609,572)	–	(20,618)	(19,942,927)
Bank borrowings	(260,726)	–	–	–	(9,636,201)	–	(9,896,927)
Obligations under finance leases	–	(39,539)	–	–	–	–	(39,539)
	(14,221,802)	(4,840,080)	(551,120)	(609,572)	(9,636,201)	(20,618)	(29,879,393)
Net financial assets/ (liabilities)	95,769,469	2,280,162	782,997	(606,525)	26,905	(20,618)	98,232,390
Less: Balances denominated in the respective entities' functional currencies	(95,547,658)	(2,325,217)	(273,092)	–	17,618	–	(98,128,349)
Currency exposure	221,811	(45,055)	509,905	(606,525)	44,523	(20,618)	104,041

32. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

GROUP	SGD	USD	MYR	EUR	GBP	Others	Total
	$	$	$	$	$	$	$
2014							
Financial assets							
Cash and bank balances	90,770,166	426,459	419,281	–	611,734	–	92,227,640
Trade and other receivables	14,328,548	5,973,883	588,219	51,652	11,234,048	2,192	32,178,542
Available-for-sale financial assets	23,979	–	–	–	–	–	23,979
	105,122,693	6,400,342	1,007,500	51,652	11,845,782	2,192	124,430,161
Financial liabilities							
Trade and other payables (excluding provision and tax)	(15,115,875)	(4,079,941)	(529,705)	(386,021)	–	(36,068)	(20,147,610)
Bank borrowings	(3,925,258)	–	–	–	(8,470,211)	–	(12,395,469)
Obligations under finance leases	(34,637)	(40,166)	–	–	–	–	(74,803)
	(19,075,770)	(4,120,107)	(529,705)	(386,021)	(8,470,211)	(36,068)	(32,617,882)
Net financial assets/ (liabilities)	86,046,923	2,280,235	477,795	(334,369)	3,375,571	(33,876)	91,812,279
Less: Balances denominated in the respective entities' functional currencies	(88,744,818)	(3,101,975)	(466,752)	–	(3,217,543)	–	(95,531,088)
Currency exposure	(2,697,895)	(821,740)	11,043	(334,369)	158,028	(33,876)	(3,718,809)

The Group is not exposed to significant currency risk on its receivables from/payable to subsidiaries.

32. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Company's currency exposure is as follows:

COMPANY	SGD	MYR	GBP	Total
	$	$	$	$
2015				
Financial assets				
Cash and bank balances	95,112,151	16,249	815,242	95,943,642
Trade and other receivables	1,178,499	494,250	8,865,482	10,538,231
Available-for-sale financial assets	18,795	–	–	18,795
	96,309,445	510,499	9,680,724	106,500,668
Financial liabilities				
Trade and other payables (excluding provision and tax)	(6,181,851)	–	–	(6,181,851)
Bank borrowings	–	–	(9,636,201)	(9,636,201)
	(6,181,851)	–	(9,636,201)	(15,818,052)
Net financial assets	90,127,594	510,499	44,523	90,682,616
Less: Balances denominated in the Company's functional currency	(90,127,594)	–	–	(90,127,594)
Currency exposure	–	510,499	44,523	555,022
2014				
Financial assets				
Cash and bank balances	76,167,061	10,769	611,734	76,789,564
Trade and other receivables	16,632,047	–	8,006,826	24,638,873
Available-for-sale financial assets	23,979	–	–	23,979
	92,823,087	10,769	8,618,560	101,452,416
Financial liabilities				
Trade and other payables (excluding provision and tax)	(4,533,254)	–	–	(4,533,254)
Bank borrowings	–	–	(8,470,211)	(8,470,211)
Obligations under finance leases	(19,000)	–	–	(19,000)
	(4,552,254)	–	(8,470,211)	(13,022,465)
Net financial assets	88,270,833	10,769	148,349	88,429,951
Less: Balances denominated in the Company's functional currency	(88,270,833)	–	–	(88,270,833)
Currency exposure	–	10,769	148,349	159,118

The Company is not exposed to significant currency risk on its receivables from/payable to subsidiaries.

32. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

If the USD, MYR, EUR and GBP change against the functional currencies of the respective entities by 7% (2014: 4%), 12% (2014: 2%), 4% (2014: 7%) and 2% (2014: 1%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial assets/(liabilities) position will be as follows:

	Increase/(decrease) PROFIT BEFORE INCOME TAX			
	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
USD against SGD				
– strengthened	**(3,154)**	(32,870)	**–**	–
– weakened	**3,154**	32,870	**–**	–
MYR against SGD				
– strengthened	**61,189**	221	**61,260**	215
– weakened	**(61,189)**	(221)	**(61,260)**	(215)
EUR against SGD				
– strengthened	**(24,261)**	(23,406)	**–**	–
– weakened	**24,261**	23,406	**–**	–
GBP against SGD				
– strengthened	**890**	1,580	**890**	1,483
– weakened	**(890)**	(1,580)	**(890)**	(1,483)

(ii) *Price risk*

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified on the consolidated balance sheet as available-for-sale.

These securities are listed in Singapore. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

If prices for equity securities listed in Singapore had changed by 10% (2014: 10%) with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income would have been:

	Increase/(decrease)			
	2015		2014	
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	$	$	$	$
Listed in Singapore				
– increased by	**–**	**1,560**	–	1,990
– decreased by	**(1,560)**	**–**	(1,990)	–

32. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Group's financial conditions and/or results. The primary source of the Group's interest rate risk is its borrowings from financial institutions in Singapore. The Group's policy is to manage its interest cost using a combination of fixed and variable interest rate borrowings, where applicable.

The Group has adequate credit facilities to ensure necessary liquidity as shown in the consolidated balance sheets.

The Group has cash balances placed with reputable banks. The Group manages its interest rate risks on its interest income by placing the cash balances in varying maturities and interest rate terms.

The Group's and the Company's interest-bearing financial assets and liabilities are mainly cash and bank balances, financial assets and bank borrowings (all variable) as set out in the table below.

	Interest bearing		Non-interest	
	Fixed	Variable	bearing	Total
	$	$	$	$
GROUP				
2015				
Financial assets				
Cash and bank balances	97,879,824	6,041,452	4,326,137	**108,247,413**
Available-for-sale financial assets	–	–	18,795	**18,795**
Financial assets classified under other receivables	–	–	11,206,059	**11,206,059**
	97,879,824	6,041,452	15,550,991	**119,472,267**
Financial liabilities				
Bank borrowings	–	9,896,927	–	**9,896,927**
Obligations under finance leases	39,539	–	–	**39,539**
2014				
Financial assets				
Cash and bank balances	81,948,484	4,888,140	5,391,016	**92,227,640**
Available-for-sale financial assets	–	–	23,979	**23,979**
Financial assets classified under other receivables	8,795,282	–	14,902,129	**23,697,411**
	90,743,766	4,888,140	20,317,124	**115,949,030**
Financial liabilities				
Bank borrowings	–	12,395,469	–	**12,395,469**
Obligations under finance leases	74,803	–	–	**74,803**

32. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	Interest bearing Fixed	Interest bearing Variable	Non-interest bearing	Total
	$	$	$	$
COMPANY				
2015				
Financial assets				
Cash and cash balances	91,613,990	3,109,022	1,220,630	**95,943,642**
Available-for-sale financial assets	–	–	18,795	**18,795**
Financial assets classified under other receivables	–	–	10,538,231	**10,538,231**
	91,613,990	3,109,022	11,777,656	**106,500,668**
Financial liabilities				
Bank borrowings	–	9,636,201	–	**9,636,201**
2014				
Financial assets				
Cash and cash balances	73,944,650	1,505,277	1,339,637	**76,789,564**
Available-for-sale financial assets	–	–	23,979	**23,979**
Financial assets classified under other receivables	8,795,282	–	15,843,591	**24,638,873**
	82,739,932	1,505,277	17,207,207	**101,452,416**
Financial liabilities				
Bank borrowings	–	8,470,211	–	**8,470,211**
Obligations under finance leases	19,000	–	–	**19,000**

The Group's bank borrowings are at variable rates and no hedges have been entered. If the interest rates increase/decrease by 0.5% (2014: 0.5%) with all other variables being held constant, the Group's profit before income tax will be lower/higher by $49,484 (2014: $61,977) as a result of higher/lower interest expense on these borrowings.

The Company's bank borrowings are at variable rates and no hedges have been entered. If the interest rates increase/decrease by 0.5% (2014: 0.5%) with all other variables being held constant, the Company's profit before income tax will be lower/higher by $48,181 (2014: $42,351) as a result of higher/lower interest expense on these borrowings.

32. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group manages such risks by dealing with a diversity of credit-worthy counterparties to mitigate any significant concentration of credit risk. Credit policy includes assessing and evaluation of existing and new customers' credit reliability and monitoring of receivable collections. The Group places its cash and bank balances with creditworthy institutions.

The maximum exposure to credit risk in the event that the counterparties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of these assets in the consolidated balance sheets.

The trade receivables of the Group comprise 4 debtors (2014: 3 debtors) that individually represented 7% - 27% (2014: 14% - 23%) trade receivables.

The credit risk for trade receivables by geographical area is as follows:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Singapore	**1,642,443**	1,842,061	**–**	–
United States of America	**6,375,551**	5,914,894	**–**	–
Malaysia and Brunei	**621,522**	724,176	**–**	–
	8,639,516	8,481,131	**–**	–

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

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

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

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

Trade receivables that are more than 90 days old are considered past due except for balances pertaining to a subsidiary which has credit terms between 30 and 60 days.

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

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Past due < 3 months	**106,430**	264,961	**–**	–
Past due 3 to 6 months	**60,299**	134,932	**–**	–
	166,729	399,893	**–**	–

32. Financial risk management (continued)

(b) Credit risk (continued)

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

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

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Trade receivables				
Gross amount	**1,017,096**	1,043,907	**1,531,857**	1,447,118
Less: Allowance for impairment – trade	**(1,017,096)**	(969,360)	**(1,531,857)**	(1,447,118)
Less: Allowance for impairment – associated companies	**–**	(74,547)	**–**	–
	–	–	**–**	–
Other receivables				
Gross amount	**39,184**	156,072	**2,063,322**	2,158,772
Less: Allowance for impairment – other	**(22,215)**	(155,916)	**(2,063,322)**	(2,158,772)
Less: Allowance for impairment – associated companies	**(16,969)**	(156)	**–**	–
	–	–	**–**	–

Movement in allowance account:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Trade receivables				
Beginning of financial year	**1,043,907**	1,042,811	**1,447,118**	1,109,263
Currency translation difference	**23,834**	11,761	**–**	–
Charge for the year	**523,861**	154,596	**84,739**	347,648
Written back	**(217,297)**	(83,727)	**–**	–
Written off	**(357,209)**	(81,534)	**–**	(9,793)
End of financial year	**1,017,096**	1,043,907	**1,531,857**	1,447,118
Other receivables				
Beginning of financial year	**156,072**	101,146	**2,158,772**	2,392,844
Currency translation difference	**1,415**	1,465	**–**	–
Charge for the year	**17,095**	57,561	**1,440**	1,302
Written back	**(25,581)**	–	**–**	(231,274)
Written off	**(109,817)**	(4,100)	**(96,890)**	(4,100)
End of financial year	**39,184**	156,072	**2,063,322**	2,158,772

Trade receivables that are individually determined to be impaired at the end of the reporting period relates to trade receivables that are more than 90 days old and irrecoverable. Other receivables are individually determined for impairment when indicators exist. These receivables are not secured by any collateral or credit enhancements.

Included in allowance for impairment of trade and other receivables disclosed in Note 5 to the financial statements are expenses recognised during the period in respect of impaired receivables from related parties amounted to $16,969 (2014: $Nil).

32. Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk include cash and bank balances as disclosed in Note 11.

Management monitors rolling forecasts of the liquidity reserve and cash and bank balances of the Group and the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

The table below summarises the maturity profile of the financial liabilities of the Group and the Company at the balance sheet date based on contractual undiscounted repayment cash flows. Financial guarantee contracts disclosed below represents the maximum amount allocated to the earliest period in which the guarantee could be called. The Group's and the Company's cash and bank balances (Note 11) exceed the total contractual cash outflows as disclosed below.

		←	Cash flows	→
	Balance sheet carrying amounts	Contractual cash flows	Within 1 year	Within 1 to 5 years
	$	$	$	$
GROUP				
2015				
Trade and other payables (excluding provision and tax)	19,942,927	19,942,927	19,942,927	–
Bank borrowings	9,896,927	9,910,650	9,910,650	–
Obligations under finance lease	39,539	41,392	32,594	8,798
Financial guarantee contracts	–	56,763,109	56,763,109	–
Total financial liabilities	**29,879,393**	**86,658,078**	**86,649,280**	**8,798**
2014				
Trade and other payables (excluding provision and tax)	20,147,610	20,147,610	20,147,610	–
Bank borrowings	12,395,469	12,419,195	12,419,195	–
Obligations under finance lease	74,803	80,030	63,032	16,998
Financial guarantee contracts	–	64,134,331	64,134,331	–
Total financial liabilities	**32,617,882**	**96,781,166**	**96,764,168**	**16,998**
COMPANY				
2015				
Trade and other payables (excluding provision and tax)	6,181,851	6,181,851	6,181,851	–
Bank borrowings	9,636,201	9,646,268	9,646,268	–
Financial guarantee contracts	–	56,763,109	56,763,109	–
Total financial liabilities	**15,818,052**	**72,591,228**	**72,591,228**	**–**
2014				
Trade and other payables (excluding provision and tax)	4,533,254	4,533,254	4,533,254	–
Bank borrowings	8,470,211	8,478,723	8,478,723	–
Obligations under finance lease	19,000	21,090	21,090	–
Financial guarantee contracts	–	66,576,085	66,576,085	–
Total financial liabilities	**13,022,465**	**79,609,152**	**79,609,152**	**–**

32. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

- to provide an adequate return to shareholders by pricing products and services which commensurate with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Management monitors capital based on gearing ratio and debt equity ratio.

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total external borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debt. As the Group is in net cash position, gearing ratio is not meaningful.

Debt equity ratio is calculated as total external borrowings divided by total equity attributable to equity holders of the Company. Included in total borrowings are borrowings and obligations under finance leases.

	GROUP	
	2015	2014
	$	$
Total borrowings	**9,936,466**	12,470,272
Total equity attributable to equity holders of the Company	**142,978,890**	125,686,850
Debt equity ratio	**6.95%**	9.92%

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2015 and 2014.

(e) Fair value measurements

The following table presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
(ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
(iii) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

32. Financial risk management (continued)

(e) Fair value measurements (continued)

The following table presents the assets and liabilities measured at fair value:

	GROUP AND COMPANY		
	Level 1	Level 2	Level 3
	$	$	$
2015			
Assets			
Available-for-sale financial assets			
– Equity securities	18,795	–	–
Total assets	18,795	–	–
2014			
Assets			
Available-for-sale financial assets			
– Equity securities	23,979	–	–
Total assets	23,979	–	–

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

33. Related party transactions

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

	GROUP	
	2015	2014
	$	$
Dividend received from associated companies	**–**	396,000
Dividend received from joint ventures	**4,893,750**	718,750
Management fee received from joint ventures	**54,000**	54,000
Interest received from joint ventures	**41,336**	285,467

33. Related party transactions (continued)

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the company. The directors and executive officers of the Group are considered as key management personnel of the Group.

Key management's remuneration includes salary, bonus, commission and other emoluments computed based on the cost incurred by the Group and the Company and where the Group and the Company did not incur any costs, the value of the benefit is included. The key management's remuneration is as follows:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	$	$	**$**	$
Wages and salaries	**5,739,967**	6,321,365	**2,499,572**	3,251,856
Employer's contribution to defined contribution plans	**160,689**	95,366	**50,877**	27,200
Staff allowances	**70,893**	42,600	**11,400**	–
Employee share option expense	**192,348**	361,506	**112,203**	209,537
	6,163,897	6,820,837	**2,674,052**	3,488,593

34. Segment information

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions, allocate resources, and assess performance.

The executive directors consider the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the primary geographic areas: Singapore, Malaysia, Brunei Darussalam ("Brunei"), the United States of America and United Kingdom. From a business segment perspective, management separately considers sales activities in these geographic areas.

34. Segment information (continued)

The segment information for the reportable segments for the year ended 31 December 2015 is as follows:

GROUP	Interior and furniture	Development properties	Hotel division	HQ and other investing activities	Supply chain	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2015						
Sales						
Total segment sales	36,874	–	–	–	49,383	86,257
Less: Inter-segment sales	(1,565)	–	–	–	–	(1,565)
Sales to external parties	**35,309**	**–**	**–**	**–**	**49,383**	**84,692**
Adjusted EBITDA	**3,682**	**(19)**	**–**	**(1,279)**	**3,301**	**5,685**
Allowance for impairment of trade and other receivables	174	17	–	–	350	541
Depreciation	466	–	–	252	169	887
Income tax expense	219	–	–	(66)	–	153
Finance expenses	24	–	–	108	45	177
Interest income	93	–	–	1,311	1	1,405
Bad debts recovered	218	–	–	–	25	243
Allowance for stock obsolescence	157	–	–	–	(26)	131
Share of profit of joint ventures	–	12,310	(42)	–	–	12,268
Total assets	**18,967**	**46,939**	**55**	**102,506**	**20,652**	**189,119**
Total assets includes:						
Investment in joint ventures	–	38,346	55	–	–	38,401
Additions to property, plant and equipment	252	–	–	600	213	1,065
Available-for-sale financial assets	–	–	–	19	–	19
Intangible assets	–	–	–	161	–	161
Total liabilities	**12,743**	**2,566**	**–**	**21,679**	**4,986**	**41,974**

34. Segment information (continued)

GROUP	Interior and furniture	Development properties	Hotel division	HQ and other investing activities	Supply chain	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2014						
Sales						
Total segment sales	40,705	–	–	–	37,697	78,402
Less: Inter-segment sales	(700)	–	–	–	–	(700)
Sales to external parties	**40,005**	**–**	**–**	**–**	**37,697**	**77,702**
Adjusted EBITDA	**3,777**	**(4)**	**–**	**(1,865)**	**1,893**	**3,801**
Allowance for impairment of trade and other receivables	177	–	–	–	35	212
Depreciation	373	–	–	107	63	543
Income tax expense	275	–	–	2	–	277
Finance expenses	22	–	–	66	57	145
Interest income	132	–	–	1,059	1	1,192
Bad debts recovered	84	–	–	–	–	84
Allowance for stock obsolescence	253	–	–	–	6	259
Share of profit of joint ventures	–	19,056	(19)	–	–	19,037
Share of profit of associated companies	–	38	–	–	–	38
Total assets	**26,651**	**53,043**	**97**	**77,881**	**19,081**	**176,753**
Total assets includes:						
Investment in joint ventures	–	30,929	97	–	–	31,026
Additions to property, plant and equipment	335	–	–	16	423	774
Available-for-sale financial assets	–	–	–	24	–	24
Intangible assets	–	–	–	161	–	161
Total liabilities	**16,429**	**115**	**–**	**24,053**	**7,760**	**48,357**

34. Segment information (continued)

(a) Comparative figures

Interior and residential projects, and furniture retail segments reported in the previous financial year have been consolidated into one segment and renamed interior and furniture segment. The reason for this consolidation is because the nature of product and service offerings between the two original segments have been converging to a higher degree as a result of the furniture retail segment having to enhance its styling and design service offering to its customers.

The effect of reclassification is as below:

	2014 (As currently reported)	2014 (As previously reported)				
	Interior and furniture	**Interior and residential projects (Singapore)**	**Interior and residential projects (Malaysia & Brunei)**	**Furniture retail (Singapore)**	**Others**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Sales to external parties	40,005	14,996	2,392	22,617	–	40,005
Adjusted EBITDA	3,777	3,142	205	186	244	3,777
Total assets	26,651	6,577	2,345	15,346	2,383	26,651
Total liabilities	16,429	6,078	1,436	8,915	–	16,429

The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the statement of comprehensive income.

The executive directors assess the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA") for continuing operations. This measurement basis excludes the effects of expenditure from the operating segments such as restructuring costs and impairment loss that are not expected to recur regularly in every period which are separately analysed.

(b) Reconciliations

(i) *Segment profits*

A reconciliation of adjusted EBITDA to profit before income tax and discontinued operations is as follows:

	GROUP	
	2015	2014
	$'000	$'000
Profit before income tax	**18,294**	23,380
Depreciation	**887**	543
Finance expenses	**177**	145
Interest income	**(1,405)**	(1,192)
Share of profit of joint ventures	**(12,268)**	(19,037)
Share of profit of associated companies	**–**	(38)
Adjusted EBITDA for reportable segments	**5,685**	3,801

34. Segment information (continued)

(b) Reconciliations (continued)

(ii) Segment assets

Total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the executive directors monitor the property, plant and equipment, intangible assets, inventories, receivables and operating cash attributable to each segment.

	GROUP	
	2015	2014
	$'000	$'000
Segment assets for reportable segments	**189,119**	176,753

(iii) Segment liabilities

Total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

	GROUP	
	2015	2014
	$'000	$'000
Segment liabilities for reportable segments	**41,974**	48,357

(c) Revenue from major products and services

Revenue from external customers are derived mainly from interior design and renovation projects, retailing of furniture and accessories and supply chain. Breakdown of the revenue is as follows:

	GROUP	
	2015	2014
	$'000	$'000
Interior design and residential projects	**35,309**	40,005
Supply chain	**49,383**	37,697
	84,692	77,702

34. Segment information (continued)

(d) Geographical information

The Group's five business segments operate in four main geographical areas:

Singapore – the company is headquartered and has operations in Singapore. The operations in this area are principally furniture retailing, interior design and residential projects.

Malaysia and Brunei – the operations in this area are principally furniture retailing, interior design and residential projects.

United States of America – the operations in this area are principally supply chain management.

United Kingdom – the operations in this area are principally investment holdings and property development.

	GROUP	
	2015	2014
	$'000	$'000
Revenue		
Singapore	**31,578**	37,613
United States of America	**49,383**	37,697
Malaysia and Brunei	**3,731**	2,392
	84,692	77,702
Non-current assets		
Singapore	**40,301**	32,882
United States of America	**551**	479
Malaysia and Brunei	**16**	17
United Kingdom	*	*
	40,868	33,378

* Less than $1,000.

(e) Information about major customers

Information regarding customers which account for more than 10% of the revenue derived by any of the entities within the Group is as follows:

	Supply Chain	
	2015	2014
	$'000	$'000
Customer A	**17,707**	13,146
Customer B	**14,677**	12,519
Customer C	**9,863**	–

35. Comparative figures

Significant balances which were reclassified to improve clarity and conform to FY2015 presentation are as below:

(i) "Other gains – net" of $3,333,804 was reclassified to "other income":

	2014 (As currently reported)	2014 (As previously reported)	Increase/ (decrease)
	$	$	$
Consolidated statement of comprehensive income			
Other income	8,803,367	5,469,563	3,333,804
Other gains – net	–	3,333,804	(3,333,804)

(ii) In Note 19 to the financial statements, "furniture and office equipment" and "equipment" were previously reported under "plant and equipment". These are separately classified for improved clarity on the nature of the items. See Note 19 for the disclosure. There is no impact to the net carrying values of property, plant and equipment.

(iii) Segment information was revised as disclosed in Note 34(a).

(iv) In Note 4 to the financial statements, comparatives to revenue figures have been reclassified in accordance with the revised segment information as disclosed in Note 34(a).

	2014 (As currently reported)	2014 (As previously reported)	Increase/ (decrease)
	$	$	$
Revenue			
Interior and furniture	40,004,915	–	40,004,915
Supply chain	37,696,633	–	37,696,633
Revenue on renovation contracts	–	20,350,628	(20,350,628)
Sale of goods – trading income	–	57,224,627	(57,224,627)
Others	–	126,293	(126,293)

36. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Nobel Design Holdings Ltd on 1 April 2016.

STATISTICS OF SHAREHOLDINGS As at 17 March 2016

DISTRIBUTION OF SHAREHOLDINGS

Issued and fully paid-up shares excluding treasury shares	: 212,722,686
Number/Percentage of Treasury shares	: Nil
Class of shares	: Ordinary
Voting rights (excluding Treasury Shares)	: One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	21	2.04	465	0.00
100 – 1,000	169	16.41	157,474	0.07
1,001 – 10,000	542	52.62	2,789,210	1.31
10,001 – 1,000,000	280	27.18	19,584,580	9.21
1,000,001 and above	18	1.75	190,190,957	89.41
Total	**1,030**	**100.00**	**212,722,686**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 17 MARCH 2016

No.	Name of Shareholder	No. of Shares	%
1	CIMB Securities (Singapore) Pte Ltd	33,109,000	15.56
2	Wee Ai Quey	23,645,000	11.12
3	Choong Chee Peng Bert	17,482,000	8.22
4	Maybank Nominees (Singapore) Pte Ltd	17,000,000	7.99
5	Phillip Securities Pte Ltd	14,300,500	6.72
6	Goon Eu Jin Terence	13,378,000	6.29
7	Kho Chuan Thye Patrick	13,377,000	6.29
8	DBS Nominees Pte Ltd	13,297,300	6.25
9	Maybank Kim Eng Securities Pte Ltd	12,623,471	5.93
10	Hong Leong Finance Nominees Pte Ltd	8,191,400	3.85
11	Wong Soon Chiu	6,726,000	3.16
12	DBS Vickers Securities (Singapore) Pte Ltd	6,329,400	2.98
13	Poh Boon Kher Melvin (Fu Wenke Melvin)	2,935,086	1.38
14	Pong Chee Keen Francis	2,288,000	1.08
15	OCBC Securities Private Ltd	1,950,800	0.92
16	United Overseas Bank Nominees Pte Ltd	1,263,000	0.59
17	Teo Teo Lee	1,180,000	0.55
18	Ong Ciu Hwa	1,115,000	0.52
19	Ang Siew Joo	962,500	0.45
20	Ho Hong Chester	900,000	0.42
	Total	**192,053,457**	**90.27**

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 17 March 2016

	No. of Ordinary shares			
Name	**Direct Interest**	**%**	**Indirect Interest**	**%**
Choong Chee Peng Bert	50,482,000 [1]	23.73	-	-
Wee Ai Quey	23,645,000	11.12	-	-
Goon Eu Jin Terence	22,978,000 [2]	10.80	-	-
Kho Chuan Thye Patrick	20,377,000 [3]	9.58	16,284,400 [4]	7.66
Kho Choon Keng	529,000	0.25	16,284,400 [4]	7.66
Southern Cross Holdings Pte. Ltd.	16,284,400 [4]	7.66	-	-

Note:

(1) 33,000,000 shares are held in the name of CIMB Securities (Singapore) Pte Ltd.
(2) 9,600,000 shares are held in the name of DBS Nominees Pte Ltd.
(3) 7,000,000 shares are held in the name of Maybank Nominees (Singapore) Pte Ltd.
(4) 10,000,000 shares are held in the name of Maybank Nominees (Singapore) Pte Ltd and 6,284,400 shares are held in the name of DBS Vickers Securities (Singapore) Pte Ltd. Mr. Kho Chuan Thye Patrick and Mr. Kho Choon Keng are deemed to be interested in 16,284,400 shares held by Southern Cross Holdings Pte. Ltd. in which each of them has a shareholding interest of more than 20%.

Based on the information available to the Company as at 17 March 2016 approximately 32.97% of the total number of issued shares of the Company are held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of NOBEL DESIGN HOLDINGS LTD (the "**Company**") will be held at 16 Tai Seng Street, Level 7, Singapore 534138 on Friday, 22 April 2016 at 4.00 p.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Directors' Statement and the Auditors' Report thereon.

Resolution 1

2. To declare a first and final (tax exempt one-tier) dividend of 0.56 cents per share for the financial year ended 31 December 2015.

Resolution 2

3. To approve the Directors' fees of S$330,750 for the financial year ended 31 December 2015.

Resolution 3

4. To re-elect Mr. Chan Pengee Adrian retiring pursuant to Article 107 of the Company's Constitution.
(See Explanatory Note 1) **Resolution 4**

5. To re-elect Mr. Chan Kum Leong retiring pursuant to Article 107 of the Company's Constitution.
(See Explanatory Note 1) **Resolution 5**

6. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

Resolution 6

AS SPECIAL BUSINESS

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

7. Authority to allot and issue shares

"THAT, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), authority be and is hereby given to the Directors to:-

(a) allot and issue shares in the Company (the "**Shares**"); and
(b) issue convertible securities and any Shares pursuant to convertible securities

(whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors shall in their absolute discretion deem fit, provided that the aggregate number of Shares (including any Shares to be issued pursuant to the convertible securities) to be issued pursuant to such authority shall not exceed fifty per cent (50%) of the total number of issued Shares excluding treasury shares of the Company for the time being and that the aggregate number of shares to be issued other than on a pro rata basis to the then existing shareholders of the Company will not exceed twenty per cent (20%) of the total number of issued Shares excluding treasury shares of the Company for the time being. Unless prior shareholder approval is required under the Listing Manual, an issue of treasury shares will not require further shareholders' approval, and will not be included in the aforementioned limits. Unless revoked or varied by the Company in general meeting, such authority shall continue in full 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, except that the Directors shall be authorised to allot and issue new Shares pursuant to the convertible securities notwithstanding that such authority has ceased.

For the purposes of this Resolution and Rule 806(3) of the Listing Manual, the total number of issued Shares excluding treasury shares is based on the total number of issued Shares excluding treasury shares of the Company at the time this Resolution is passed after adjusting for:-

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

(ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the rules of the Listing Manual; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares."
(See Explanatory Note 2) **Resolution 7**

8. Authority to grant options and issue shares under the Nobel Employee Share Option Scheme

"That, pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the Nobel Employee Share Option Scheme (the "**Scheme**") and to issue such shares as may be required to be issued pursuant to the exercise of the options granted under the Scheme provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of issued shares excluding treasury shares of the Company from time to time".
(See Explanatory Note 3) **Resolution 8**

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

By Order of the Board

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LEE BEE FONG (MS)
Company Secretary
Singapore
7 April 2016

Explanatory Notes:

1. Mr. Chan Pengee Adrian, if re-elected under Resolution No. 4, will remain as Chairman of the Nominating Committee, a Member of the Audit and Remuneration Committees and Non-Executive Chairman of the Company and will be considered as an independent director of the Company for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. There are no relationships (including immediate family relationships) between Mr. Chan Pengee Adrian and the other Directors, the Company or shareholder with shareholdings of 10% or more in the voting shares of the Company.

   Mr. Chan Kum Leong, if re-elected under Resolution No. 5, will remain as a Member of the Remuneration Committee, a Member of the Risk Management Sub-Committee and Non-Executive Director of the Company.

2. The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue Shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed fifty per cent (50%) of the total number of issued Share excluding treasury shares (as defined in Resolution 7) of the Company. For issue of Shares other than on a pro rata basis to all Shareholders, the aggregate number of Shares to be issued will not exceed twenty per cent (20%) of the total number of issued Shares excluding treasury shares (as defined in Resolution 7) of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities issued under this authority.

3. Resolution No. 8, if passed, will empower the Directors of the Company to allot and issue shares in accordance with the Nobel Employee Share Option Scheme.

Notes:-

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

ii. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), a member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in his stead.

iii. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

iv. A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at this meeting, but each proxy must be appointed to exercise the rights attached to a different shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

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

vi. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the Annual General Meeting in order for the Depositor to be entitled to attend and vote at the Annual General Meeting.

vii. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar at 80 Robinson Road #11-02 Singapore 068898 not less than forty-eight (48) hours before the time for holding the Annual General Meeting.

Personal data privacy:

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

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS ALSO HEREBY GIVEN THAT the Transfer Book and the Register of Members of the Company will be closed at 5.00 p.m. on 10 May 2016, for the purpose of determining members' entitlements to the first and final (tax exempt one-tier) dividend of 0.56 cents per share for the financial year ended 31 December 2015 (the "**Proposed Dividend**").

Duly completed registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) of 80 Robinson Road #11-02, Singapore 068898 up to 5.00 p.m. on 10 May 2016 will be registered to determine members' entitlements to the Proposed Dividend. The Proposed Dividend, if approved at the Annual General Meeting to be held on 22 April 2016, will be paid on 20 May 2016.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 10 May 2016 will be entitled to the Proposed Dividend.

By Order of the Board

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LEE BEE FONG (MS)
Company Secretary
Singapore
7 April 2016

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NOBEL DESIGN HOLDINGS LTD

(Incorporated in the Republic of Singapore)
(Company Registration No.: 198104591E)

PROXY FORM

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

I/We ____________________, (NRIC/Passport No.) ____________

of ____________________

being a member/members of the above-mentioned Company, hereby appoint:-

Name	Address	NRIC / Passport No.	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/her/them, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary to demand a poll, at the Annual General Meeting of the Company to be held at 16 Tai Seng Street, Level 7, Singapore 534138 on Friday, 22 April 2016 at 4.00 p.m. and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against
	Ordinary Business		
1.	To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Directors' Statement and the Auditors' Report thereon.		
2.	To declare a first and final (tax exempt one-tier) dividend of 0.56 cents per share for the financial year ended 31 December 2015.		
3.	To approve the Directors' fees of S$330,750 for the financial year ended 31 December 2015.		
4.	To re-elect Mr. Chan Pengee Adrian retiring pursuant to Article 107 of the Company's Constitution.		
5.	To re-elect Mr. Chan Kum Leong retiring pursuant to Article 107 of the Company's Constitution.		
6.	To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	Special Business		
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		
8.	To authorise Directors to grant options and to issue shares under Nobel Employee Share Option Scheme.		

Dated this ____________ day of ____________________ 2016

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

No. of Shares Held

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOBEL DESIGN HOLDINGS LTD

Notes to the Proxy Form

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the "Companies Act") a member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

4. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediaries is entitled to appoint more than two proxies to attend, speak and vote at the Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

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

7. The instrument appointing a proxy or proxies, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the office of the Company's Share Registrar at 80 Robinson Road, #11-02 Singapore 068898 not less than forty-eight (48) hours before the time appointed for the Meeting.

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

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

10. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.

11. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 April 2016.


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NOBEL
DESIGN HOLDINGS

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