Aquaint Capital Holdings Limited & its subsidiaries

ACN: 164 440 859

Financial statements for the period ended 31 December 2013

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Directors' Report

The Directors of Aquaint Capital Holdings Limited ('Aquaint Capital') present their Report together with the financial statements of the consolidated entity, being Aquaint Capital Holdings Limited ('the Company') and its controlled entities ('the Group') for the period ended 31 December 2013.

Director details

The following persons were directors of Aquaint Capital Holdings Limited during or since the end of the financial period.

Director Name	Date of appointment
Tan Yang Po	24 June 2013
Soo Ming Chiang	24 June 2013
Heather Jane Chong	24 June 2013
John Bruce Oliver Sampson	24 June 2013
Roy Chung Yee Ling	24 June 2013

Tan Yang Po ("Yang Po")
Executive Director and Group Chief Executive Officer

Expertise:

Yang Po has been in business for over 25 years with experience in consumer industry.

She started her career as a marketing manager for the Wellcome group, a significant retailer and distributor of fast moving consumer goods. She then rapidly moved up the industry chain and became the force behind the development of Mont Blanc boutiques in Asia (the first region outside Germany) and then the first female director in charge of 22 countries in Asia Pacific for Yves Saint Laurent Beaute.

In 1999 with the backdrop of the Asian economic crisis, she decided to move on to education, in particular on-line education. She became the Managing Director of SkyQuestCom and grew the on-line learning portal from US$3m to US$128m with a network of 55 countries. The on-line education programs included programs on finance and real estate.

In 2009, Yang Po decided that she wanted to grow her own business and established what is now the Aquaint Group.

Directorships of listed entities within the last three years include: Nil

Soo Ming Chiang ("MC")
Executive Director and Group Chief Operating Officer

Expertise:

In 2010, MC joined Yang Po as her business partner and successfully grew the Aquaint Group in Malaysia. Today, the membership of the Aquaint business in Malaysia is larger than its membership in Singapore.

MC has a degree in electronic engineering from the highly respected NTU of Singapore. After obtaining his degree, he worked with what was then one of the world's largest shipping lines, P&O. He specialized in select software systems. He then joined Tangspac as project manager for Singapore Airline's new e-commerce initiative. He then established Tangspac in Malaysia and became their country manager.

MC has always been entrepreneurial and interested in property. Whilst at Tangspac he systematically acquired skills which allowed him to establish his own software business and enter into property investing.

Directorships of listed entities within the last three years include: Nil

Heather Jane Chong ("Heather")
Non-executive and Independent Director

Expertise:

Heather is the Chief Executive Officer of Qew Orchards, a large family owned apricot orchard in Tasmania, Australia. She is also an independent director of an ASX listed property development company.

Heather is an accountant by profession and has significant board experience. She sits on a number of corporate and non-profit boards and holds a number of offices in non-profit organisations, including NRM South and Asthma Foundation of Tasmania. She is the current President of the Rotary Club of Hobart. Heather is an Alderman on Clarence City Council. She is currently a member of the Australian Institute of Company Directors (Tasmania) Council. Previously, Heather was the Chair of the Food Industry Council of Tasmania and Summerfruit Australia (the peak body that advises the Federal Government on concerns about growers of summerfruit in Australia) and the Tasmanian Government Representative on the national Food Safety Centre. Heather also has extensive Asia experience having served as Chief Accountant for one of Hong Kong's largest construction companies and as a senior executive in the Asian operations of what was then the world's second largest software house.

Heather holds a B.Sc (Hons) in Psychology and an MBA. She is currently undertaking a Masters in Public Policy. Heather is a member of the Institute of Chartered Accountants of England and Wales, and a Fellow of the Australian Institute of Company Directors.

Heather is the recipient of the Rural Industries Research and Development Corporations Rural Women's Award for Tasmania (2005), the Westpac Group Business Owners Award for Tasmania and the Telstra Tasmania Business Woman of the Year (2003).

Directorships of listed entities within the last three years include:
GPS Alliance Holdings Limited (Appointed May 2013)

Professor Roy Chung Yee Ling, CFA ("Prof. Ling")
Non-executive and Independent Director

Expertise

Professor Ling is currently a Managing Director at RL Capital Management and RL Academy. Concurrently, he serves as a Board Director at 5 listed companies across Asia; and as an Adjunct Professor in Finance at the EDHEC Business School and the SP Jain School of Global Management.

Prior to RL Capital, Prof. Ling held senior investment banking positions with JPMorgan, Lehman Brothers, Goldman Sachs and Salomon Smith Barney. Prof. Ling is a Chartered Financial Analyst and was a former Board Director of the CFA Society of Japan. He was honored as one of 20 Rising Stars in Real Estate by Institutional Investor in March 2008.

Prof. Ling graduated from INSEAD with a Global EMBA and from the National University of Singapore with a Bachelors' degree in Business Administration.

Directorships of listed entities within the last three years include:

1) China Flexible Packaging Holdings Ltd, Listed on SGX Mainboard (appointed March 2013)
2) Elektromotive Group Ltd, Listed on SGX Catalist (Appointed February 2013)
3) ChinaSing Investment Holdings Limited, Listed on SGX Mainboard (Appointed April 2012)
4) Vingroup JSC, Listed on Ho Chih Minh Stock Exchange (Appointed February 2011)

John Bruce Oliver Sampson ("Mr Sampson")
Non-executive and Non-independent Director

Expertise

Mr Sampson is the Chief Investment Officer of JBS Investments, a value orientated investment firm with offices in New Zealand and Australia. Mr Sampson acts as the portfolio manager of both the JBS Investment Partners Fund and the JBS Investments International Advantage Fund.

Prior to his current role, Mr Sampson worked in the corporate finance department of a leading international investment bank where he was responsible for capital raising and mergers and acquisitions transactions for both public and private companies.

Mr Sampson started his career working at top tier law firms including Clayton Utz in Australia and Russell McVeagh in New Zealand. John is a qualified lawyer and holds an LLB (Hons).

Directorships of listed entities within the last three years include: Nil

Group Company Secretaries during the year
Adrian Craig Olney
Appointed on 24 June 2013, resigned on 16 December 2013

Marcelo Mora (Appointed on 16 December 2013)
Marcelo Mora is a company secretary. He graduated with a Bachelor of Business degree from the University of Western Sydney and Graduate Diploma of Applied Corporate Governance, is a Chartered Secretary AGIA (former ACIS). Mr. Mora has been an accountant for more than 25 years in both Australia and internationally providing financial reporting and company secretarial services to a range of public listed company in Australia.

Principal activities
During the period, the principal activities of entities within the Group were:

- An investment and investment management business focusing on property related assets
- Providing loans to a property development business, through its subsidiaries, with a view to considering direct property development opportunities going forward; and
- A coaching and seminar business

There have been no significant changes in the nature of these activities during the period.

Review of operations and financial results
During the period ended 31 December 2013, pursuant to a Structuring Exercise as described below, the Company acquired the group of entities which were under common control by two of the Company's directors (Yang Po and MC).

Review of Financial Performance
Revenue for the period ended 31 December 2013 amounted to $7.1 million. Over 58% of the revenue generated for the period ended 31 December 2013 related to interest income earned on Aquaint's investment properties in India, United Kingdom, USA and Germany.

Expenses for the period were $5.8 million primarily reflecting the increase in headcount across the business and one-off costs associated with listing on the Australian Securities Exchange in November 2013. Net Profit after Tax for the period totalled $1.6 million.

Review of Financial Position

Shareholders' Equity or Net Asset were $39.3 million as at 31 December 2013 reflecting the issued share capital as part of the listing on the Australian Securities Exchange in November 2013.

Outlook

We have delivered a strong financial result over the period. At Aquaint, we constantly look for ways to re-engineer ourselves so as to stay relevant and keep abreast of the changing business dynamics, while staying committed to our tested strategies.

We are confident our operating strategy will continue to yield such strong results.

In FY2014, we intend to acquire a substantial investment in four properties – all based in Malaysia. These investments present significant recurring revenue potential, with the opportunity to substantially increase Aquaint's investment assets.

We will remain prudent and disciplined in our business decisions to further enhance our portfolio. We are confident our operating strategy will continue to yield such strong results.

Significant changes in the state of affairs

During the financial period, the Group became listed on the ASX following an IPO process resulting in the creation of the group structure detailed below:

- Tan Yang Po and Soo Ming Chiang acquired 100% equity interest in Aquaint Capital Limited ("Aquaint Capital") in April 2013. Aquaint Capital became a wholly owned subsidiary of the Company on 28 June 2013.

- On 28 June 2013, Aquaint Capital acquired 100% equity interests in Aquaint Property Pte Ltd ("Aquaint Property") and Aquaint Property became a wholly owned subsidiary of the Group.

- Aquaint Property acquired the business, assets and liabilities of a company, Azea Property Investment Pte Ltd ("Azea Property Investment"), on 1 April 2013 for a consideration of S$1,002,230. Both Aquaint Property and Azea Property Investment were controlled by the Directors of Aquaint Property.

- Aquaint Property Sdn Bhd ("APSB") acquired the business, assets and liabilities of a company, Azea Property Sdn Bhd ("Azea Property Malaysia"), on 1 April 2013 for a consideration of RM441,098. Both APSB and Azea Property Malaysia were controlled by the Directors. APSB became a wholly owned subsidiary of Aquaint Property on 28 June 2013.

- Azeana Pte Ltd acquired the business, assets and liabilities of a company, Azea Personal Coaching Pte Ltd ("Azea Personal Coaching"), on 1 April 2013 for a consideration of S$60,145. Both Azeana and Azea Personal Coaching were controlled by the Directors. Azeana became a wholly owned subsidiary of Aquaint Property on 28 June 2013.

- On 28 June 2013, the Company acquired 100% of the equity interest of Aquaint Capital fully satisfied by the issuance of the Company's 14,500,000 ordinary shares.

The acquisition of Aquaint Capital and its subsidiaries by the Company was a combination of businesses under common control by the Directors, Tan Yang Po and Soo Ming Chiang, as they controlled the Group entities before and after the Structuring Exercise. As a result, the Company accounted for the acquisitions in a manner similar to a pooling of interests.

Upon completion of the above Structuring Exercise, the Company had acquired the following subsidiaries:

Company	Country of incorporation	Percentage of equity held	Principal activities
Aquaint Capital Limited	Australia	100%	Provision of fund management services
Aquaint Income Fund	Australia	100%	Provision of secured loans
Aquaint Property Pte Ltd	Singapore	100%	Provision of funding for property development projects
Azeana Pte Ltd	Singapore	100%	Conducting seminars
Aquaint Property Sdn Bhd	Malaysia	100%	Provision of funding for property development projects
Azeana Sdn Bhd	Malaysia	100%	Conducting seminars

- Issue of share capital

  - On 28 June 2013, the Company acquired 100% of the equity interest of Aquaint Capital fully satisfied by the issuance of the Company's 14,500,000 ordinary shares.

  - On 7 August 2013, the Company issued 87,791,863 shares as part of the share swap arrangements in satisfaction of the Group's acquisition of the investments in the investment property, available-for-sale investments and loans receivables from third parties.

  - On 4 November 2013, the Company issued 4,665,000 shares for a cash consideration of A$2,799,000 to the third party shareholders as part of its initial public offering exercise.

Dividends

In respect of the current period, no dividend was declared.

Matters subsequent to the end of the financial year

There are no matters of circumstances that have arisen since the end of the period that have significantly affected or may significantly affect either:

- The entity's operations in future financial years;
- The results of those operations in future financial years; or
- The entity's state of affairs in future financial years.

Likely developments, business strategies and prospects

In FY2014, we intend to acquire a substantial investment in four properties – all based in Malaysia. These investments present significant recurring revenue potential, with the opportunity to substantially increase Aquaint's investment assets.

Directors' Meetings

The number of Directors' meetings and Committee meetings attended by each of the Directors (while they were a Director) of the Company during the period were as follows:

Director	Board Meetings		Committee Meetings (1)	
	Held	Attended	Audit	Remuneration
Tan Yang Po	8	7	-	-
Soo Ming Chiang	8	7	-	-
Heather Jane Chong	8	8	-	-
John Bruce Oliver Sampson	8	8	-	-
Roy Chung Yee Ling	8	8	-	-

(1) During the financial period ended 31 December 2013, there were no Committee meetings held due to the short period between the reporting period and the date of listing on the ASX.

Directors' Interests

Directors' beneficial shareholdings at the date of this report are:

	Direct	Indirect
Director	Fully paid ordinary shares	Fully paid ordinary shares
Tan Yang Po	6,890,449	-
Soo Ming Chiang	5,814,000	-
Heather Jane Chong	-	-
John Bruce Oliver Sampson	-	-
Roy Chung Yee Ling	-	-

REMUNERATION REPORT (audited)

The Directors of Aquaint Capital Holdings Limited ('the Group') present the Remuneration Report for non-executive directors, executive directors and other key management personnel prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

The Remuneration Report is set out under the following main headings:

a Principles used to determine the nature and amount of remuneration

b Details of remuneration

c Service agreements

d Bonuses included in remuneration

e Other information.

(a) Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- To align rewards to business outcomes that deliver value to shareholders;
- To drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- To ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

Aquaint Capital Holdings Limited has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board has established a Nomination and Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Committee has engaged independent remuneration consultants to provide any necessary information to assist in the discharge of its responsibilities.

The remuneration structure that has been adopted by the Group consists of the following components:

- Fixed remuneration being annual salary; and
- Short term incentives, namely bonuses.

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The payment of bonuses and other incentive payments are reviewed by the Nomination and Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses and incentives must be linked to pre-determined performance criteria.

Short term incentive (STI)

Aquaint Capital Holdings Limited performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Company values.

The performance measures are set annually after consultation with the directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The KPI's for the Executive Team are summarised as follows:

Performance area:

- Financial - operating profit and earnings per share; and

- Non-financial - strategic goals set by each individual business unit based on job descriptions.

The remuneration package incorporates mainly cash components for the executive team and other employees.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

(b) Details of remuneration

Details of the nature and amount of each element of the remuneration of each key management personnel ('KMP') of Aquaint Capital Holdings Limited are shown in the table below:

Director and other Key Management Personnel Remuneration

	Short term employee benefits				
	Cash salary and fees $	Cash bonus $	Non monetary benefits $	Total $	% of remuneration that is performance based
For the year ended 31 December 2013					
Heather Jane Chong	38,000	-	-	38,000	-
John Bruce Oliver Sampson	35,000	-	-	35,000	-
Roy Chung-Yee Ling	35,000	-	-	35,000	-
Sub-total Non-executive directors	**108,000**	**-**	**-**	**108,000**	
Executive directors:					
Tan Yang Po	332,500	113,600	-	446,100	25%
Soo Ming Chiang	332,500	113,600	-	446,100	25%
Other key management personnel:					
Richard Tan (2)	38,200	-	-	38,200	100%
Sherman Tan (3)	55,000	-	-	55,000	100%
Myo Myint (4)	-	-	-	-	100%
Total key management personnel compensation	**866,200**	**227,200**	**-**	**1,093,400**	

(1) 1 AUD = SGD 1.2027
(2) CFO - Appointed 7 May 2013, Resigned 31 August 2013
(3) CFO - Appointed 12 August 2013, Resigned 31 December 2013
(4) Mr Myo Myint is the current CFO. Joined the Group on 6 January 2014.
(5) No post-employment benefits, long-term benefits or share based payments have been paid to key management personnel during the period.
(6) The Group has been created during the 2013 financial year therefore no comparative remuneration information has been included.

(c) Service agreements

Remuneration and other terms of employment for the Executive Directors and other key management personnel are formalised in a service agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Base salary A$	Term of agreement	Notice period
Tan Yang Po	332,500	3 years	6 months
Soo Ming Chiang	332,500	3 years	6 months
Richard Tan	38,200	Resigned	3 months
Sherman Tan	55,000	Resigned	3 months

In relation to both of Tan Yang Po and Soo Ming Chiangs' Service Agreement upon appointment (1 April 2013), if the Company terminates the employee during the initial period, the Company shall pay to employee all amount due and owing to employee up to the end of initial period (31 March 2016). As at 31 December 2013, maximum exposure to the Company for termination payment entitlements for each person is SGD 900,000 (AUD 748,316).

Options

Options granted over unissued shares

There are no options over ordinary shares in the Company that were granted as remuneration to each key management personnel.

(d) Bonuses included in remuneration

Details of the short-term incentive cash bonuses awarded as remuneration to each key management personnel, the percentage of the available bonus that was paid in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below. No part of the bonus is payable in future years.

	Included in remuneration ($)	% vested in year	% forfeited in year
Executive directors			
Tan Yang Po	113,600	100%	-
Soo Ming Chiang	113,600	100%	-
Other key management personnel			
Richard Tan	-	-	-
Sherman Tan	-	-	-

The executive directors are entitled to a performance based bonus of 10% in relation to earnings before interest and tax achieved in excess of $1.8m for the financial period ended 31 December 2013.

(e) Other information

Hedging of securities

In accordance with the Group's general share trading policy and employee share plan rules, participants are prohibited from engaging in hedging arrangements over unvested securities issued pursuant to any employee or Director share plan.

END OF REMUNERATION REPORT

Environmental legislation

Aquaint Capital Holdings Limited operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

Indemnities given and insurance premiums paid to auditors and officers

During the period, Aquaint Capital Holdings Limited paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policy are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Non-audit services

During the year, Grant Thornton Audit Pty Ltd, the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the period by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the period is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and

- The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Company, Grant Thornton Audit Pty Ltd, and its related practices for audit and non-audit services provided during the period are set out in Note 20 to the Financial Statements.

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included on page 15 of this financial report and forms part of this Directors report.

Proceedings of behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Rounding of amounts

Aquaint Capital Holdings Limited is a type of Company referred to in ASIC Class Order 98/100 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable), or in certain cases, to the nearest dollar under the option permitted in the class order.

Signed in accordance with a resolution of the directors.

Tan Yang Po

Yang Po

Director

31 March 2014

Grant Thornton

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AQUAINT CAPITAL HOLDINGS LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Aquaint Capital Holdings Limited for the period ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S K Edwards
Partner – Audit & Assurance

Adelaide, 31 March 2014

Corporate Governance Statement

This statement outlines the main Corporate Governance practices that were in place since the Company listed in November 2013, which complies with the Australian Securities Exchange ('ASX') Corporate Governance Council recommendations, unless otherwise stated.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining the highest standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council ('Council'). Whilst the Company's practices are largely consistent with the Council's guidelines, the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Company's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of shareholders as a whole. When the Company is not able to implement one of the Council's recommendations the Company applies the 'if not, why not' explanation approach by applying practices in accordance with the spirit of the relevant principle.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Company complies with those recommendations.

Details of all of the Council's recommendations can be found on the ASX website at http://www.asx.com.au

Principle 1 – Lay solid foundations for management and oversight

Board of Directors

The Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance and management oversight of the Company and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole.

The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is not available from within their members, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- the prudential control of the Company's finances and operations and monitoring the financial performance of the Company;
- the resourcing, review and monitoring of executive management;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- the establishment and maintenance of appropriate ethical standards.

The Company has followed Recommendation 1.1 by establishing the functions reserved to the Board and those delegated to senior executives as disclosed above.

The Company has not followed Recommendation 1.2 and 1.3 because the Company was incorporated in June 2013 and listed in November 2013, no performance reviews at 31 December 2013 were due. However, the Company has determined that the first evaluation would be conducted during 2014 by the CEO on a face to face review between the CEO and senior executives and directors.

The Company has taken the appropriate measure to provide each Director and senior executive with a copy of the Company's policies which spells out the rights, duties and responsibilities that they should follow.

Principle 2 – Structure the Board to add value

Board of Directors - Composition, Structure and Process

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the Company's current size, scale and nature of its activities.

Independent Directors

As only two of the Company's five Directors are classified as Independent Directors, the Company does not follow Recommendation 2.1. However, it is the Board's opinion that all Directors bring to the Board their independent judgement, irrespective of whether they are independent or not.

Regular assessment of independence

An independent Director, in the view of the Company, is a non-executive Director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional advisor or a material consultant to the Company, or an employee materially associated with a service provider;
- is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The composition of the Board is reviewed periodically with regards to the optimum number and skills of Directors required for the Board to properly perform its responsibilities and functions.

Chairperson and CEO

As at the date of this report the Company has not appointed a Chair person. The Company does not follow Recommendation 2.2 because the small size of the Company does not warrant the appointment of more Directors. However, the Board considers that Ms Tan Yang Po, the Chief Executive Officer ('CEO') and director of the Company, best serve the office of Chair due to her extensive experience in the industry.

The Chair person leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable the Directors to perform their duties as a Board.

The Company CEO is responsible and accountable to the Board for the Company's management. Tan Yang Po has been appointed as the CEO. Therefore, the Company does not follow Recommendation 2.3 by having the same person performing both roles.

Board nominations

The Company has followed recommendation 2.4 by establishing a Nomination and Remuneration Committee.

Performance review and evaluation

The Company has followed Recommendations 2.5 and 2.6 by disclosing the process for evaluating the performance of the Board, and disclosure requirements under Principle 2 below.

It is the policy of the Board to ensure that the Directors and executives of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and executives, there is on-going monitoring by the CEO and the Board. The CEO also speaks to Directors individually regarding their role as a Director.

Induction and education

The Company has the policy to provide each new Director or officer with a copy of the following documents:

- Code of Conduct;
- Continuous Disclosure and Shareholders Communication Policy;
- Diversity Policy; and
- Share Trading Policy;

Access to information

Each Director has access to Board papers and all relevant documentation.

Skills, knowledge and experience

Directors are appointed based on the specific corporate and governance skills and experience required by the Company. The Board consists of a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public Company administration, and, director-level business or corporate experience required by the Company.

Professional advice

Board members, with the approval of the CEO, may seek from time to time external professional advice.

Term of appointment as a Director

The Constitution of the Company provides that a Director, other than the CEO, may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors (excluding the CEO) must retire each year and are eligible for re-election. The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

Remuneration

The remuneration of the Directors is determined by the Board as a whole, with the Director to whom a particular decision relates being absent from the meeting during the time that the remuneration level is discussed and decided upon.

For details on the amount of remuneration and any amount of equity based executive remuneration payment for each Director, refer to the Key Management Personnel note to the financial statements and the Remuneration Report in the Directors' Report.

Internal controls

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. The system of internal control adopted by the Company seeks to provide an appropriate division of responsibility and careful selection and training of personnel relative to the level of activities and size of the Company.

Principle 3 – Promote ethical and responsible decision making

Code of Conduct and Ethical Standards

All Directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, endeavouring at all times to enhance the reputation and performance of the Company. Every employee has direct access to a Director to whom they may refer any ethical issues that may arise from their employment. The Company has followed Recommendation 3.1 and has adopted a formal Code of Conduct.

Access to Company information and confidentiality

All Directors have the right of access to all relevant Company books and to the Company's executive management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Company have agreed to keep confidential information received in the course of exercising their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

Share dealings and disclosures

The Company has adopted a policy relating to the trading of Company securities. The Board restricts Directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and Directors should consult with the CEO / Chairperson prior to dealing in securities in the Company or other companies with which the Company has a relationship.

Share trading by Directors, executives or employees is not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

The trading windows for restricted persons are i) during the period commencing one month prior to the release of the Company's full year financial results or annual report and ending one trading day after the release of those results or reports to the ASX, and ii) during the period commencing two weeks prior to the release of half year results announcements and ending one trading day after the release of those results to the ASX.

Restricted persons are prohibited from trading in the Company's securities outside these trading windows unless in special circumstances and with the approval of the CEO / Chairperson.

Conflicts of interest

To ensure that Directors are at all times acting in the best interests of the Company, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot, or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates.

Related party transactions

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

Board diversity

The Company is committed to establishing and maintaining employee and board diversity which recognises the strategic and personal advantages that arise from a workplace where decisions are based on merit and all employees are treated equally.

The Company intends to meet its obligations with respect to the issue of diversity, as may be required under the ASX Principles and other regulatory requirements.

By establishing this Policy as a compliant policy in accordance with Principle 3.2, the Company is developing measurable objectives that the Board assess annually in determining the achievement of the gender diversity policy.

Because the Company was incorporated in June 2013, Recommendation 3.3 will not be performed during this financial year.

As required by recommendation 3.4 the Company discloses that the proportion of women employees as follows:

- Proportion of women employees is 50%;
- Proportion of women in senior executive positions 25%; and
- Proportion of women on the board 40%.

The Company has complied with recommendation 3.5 by posting on its website the code of conduct and diversity policy on its website.

Principle 4 – Safeguard integrity in financial reporting

Audit Committee

The Company has followed recommendation 4.1 by establishing an Audit Committee.

The Company has followed Recommendations 4.2 by appointing two independent directors out of three as follows:

- The members of the Audit Committee are Heather Jane Chong, John Bruce Oliver Sampson and Roy Chung Yee Ling. For their qualifications, see the Directors Report.

During the financial period ended 31 December 2013, there were no meetings held for the Audit committee due to the short period since the Company was incorporated and listed on the ASX.

The Company has followed recommendation 4.3 by having a Formal Charter.

Principle 5 – Make timely and balanced disclosure

The Company has followed Recommendations 5.1 and 5.2 and has adopted a formal Continuous Disclosure Policy.

Continuous Disclosure to the ASX

The Board has designated the CEO and Company Secretary as being responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. Accordingly the Company will notify the ASX promptly of information:

- concerning the Company, that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in the Company's securities.

Principle 6 – Respect the rights of shareholders

The Company has followed Recommendations 6.1 and 6.2 and has designed a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings as disclosed below.

Communication to the market and shareholders

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. The Board considers that information will be communicated to shareholders and the market through:

- the Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the half-yearly financial statements;
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders or made available through the Company's website.

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements are made available on the Company's website, www.aquaintcapital.com.au, and on the ASX website, www.asx.com.au, under ASX code 'AQU'.

Principle 7 – Recognise and manage risk

The Company has followed Recommendation 7.1 and has designed policies for the oversight and management of material business risks as disclosed below.

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

Having regard to the current size of the Company, organisational complexity and scope of operations of the Company, Recommendation 7.2 is not relevant because the Board has the oversight function of risk management and internal control systems. Therefore, the risk management functions and oversight of material business risks are performed directly by the Board and not by management.

Internal control and risk management

The Board reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

Appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

Internal audit function

The internal audit function is carried out by the Board. The Company does not have an internal audit department nor has an internal auditor. The board is mindful of the importance of internal audit and will outsource this function to a professional third party if it feels such an action is warranted.

CEO and CFO declarations

The Company has followed Recommendation 7.3. The Board has determined that the CEO and the CFO or the acting CFO are the appropriate persons to make the CEO and CFO declarations as required under section 295A of the Corporations Act. The Board is also satisfied that the internal control system is operating effectively in all material respects.

The Company has followed Recommendation 7.4 by disclosing the information above.

Principle 8 – Remunerate fairly and responsibly

The Company has followed Recommendation 8.1 by establishing a Remuneration Committee.

Remuneration responsibilities

The role and responsibility of the Board is to review and make recommendations in respect of:

- executive remuneration policy;
- executive Director and senior management remuneration;
- executive incentive plan;
- non-executive Directors' remuneration;
- performance measurement policies and procedures;
- termination policies and procedures;
- equity based plans; and
- required remuneration and remuneration benefits public disclosure.

The Company has followed Recommendations 8.2 by appointing two independent directors out of three as follows:

- The members of the Remuneration Committee are Heather Jane Chong, John Bruce Oliver Sampson and Roy Chung Yee Ling. For their qualifications see the Directors Report.

The Company provides the following information regarding Recommendation 8.3;

Remuneration policy

The Directors' remuneration is adopted by shareholders at the Annual General Meeting. The salary and emoluments paid to officers are approved by the Board. Consultants are engaged as required pursuant to service agreements. The Company ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Company. All salaries of Directors and officers are disclosed in the Annual Report of the Company.

The salary component of the CEO's remuneration is made up of:

- fixed remuneration;
- Performance Bonus subject to the achievement of certain profit milestones; and
- An additional bonus is payable to executive directors if the Company pays a dividend to shareholders in any financial year.

The salary component of non-executive and executive Directors is made up of:

- fixed remuneration;

The Company follows recommendation 8.4 by providing the names of the directors in the remuneration committee in recommendation 8.2 and making publicly available the remuneration charter in the Company's website.

Audited Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the period ended 31 December 2013

	Note	2013 A$'000
Revenue	5	7,129
Direct costs		(331)
Other income	5	1,181
Administrative expenses		(4,575)
Other operating expenses		(811)
Finance costs	7	(100)
Profit before income tax		**2,493**
Income tax expense	8	(813)
Profit for the period		**1,680**
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences (at nil tax)		334
Other comprehensive income for the period		**334**
Total comprehensive income for the period		**2,014**
Profit for the period attributable to:		
Non-controlling interest		-
Owners of the parent		1,680
		1,680
Total comprehensive income attributable to:		
Non-controlling interest		-
Owners of the parent		2,014
		2,014
Earnings per share		
Basic and diluted earnings per share (Australian cents)	9	**1.98**

This statement should be read in conjunction with the notes to the financial statements

Audited Consolidated Statement of Financial Position

As at 31 December 2013

Assets	**Note**	**2013**
		A$'000
Current		
Cash and cash equivalents	10	3,715
Trade and other receivables	11	5,587
Loan receivables from third parties	12	13,692
Current assets		22,994
Non-current		
Loan and receivables	12	19,835
Plant and equipment	13	133
Investment property	14	4,065
Non-current assets		24,033
Total assets		**47,027**
Liabilities		
Current		
Trade and other payables	15	2,992
Financial liabilities	16	2,890
Current tax liabilities		340
Current liabilities		6,222
Non-current		
Financial liabilities	16	999
Deferred tax liabilities	17	502
Non-current liabilities		1,501
Total liabilities		7,723
Net assets		**39,304**
Equity		
Share capital	18	37,785
Merger reserve	19	(495)
Translation difference	19	334
Retained earnings		1,680
Total equity		**39,304**

This statement should be read in conjunction with the notes to the financial statements.

Audited Statement of Changes in Equity

for the period ended 31 December 2013

	Share capital	Retained earnings	Merger reserve	Translation reserve	Total equity
	A$'000	**A$'000**	**A$'000**	**A$'000**	**A$'000**
At date of common control – June 2013	**-**	**-**	**(495)**	**-**	**(495)**
Total comprehensive income for the period					
Profit for the period	**-**	**1,680**	**-**	**-**	1,680
Other comprehensive income					
Foreign currency translation differences	-	-	-	334	334
Total comprehensive income for the period	**-**	**1,680**	**-**	**334**	**2,014**
Transactions with owners					
Issue of shares	**37,785**	**-**	**-**	**-**	**37,785**
Balance at 31 December 2013	**37,785**	**1,680**	**(495)**	**334**	**39,304**

This statement should be read in conjunction with the notes to the financial statements.

Audited Consolidated Statement of Cash Flows

for the period ended 31 December 2013

	2013 A$'000
Operating activities	
Profit for the year	2,493
Adjustments for:	
Depreciation, amortisation and impairment	34
Impairment of financial assets	144
Change in fair value of investment property	182
Interest income	(1,070)
Net changes in working capital:	
Change in trade and other receivables	(4,226)
Change in trade and other payables	1,947
Cash generated from operations	
Income tax paid	(288)
Net cash used in operating activities	**(784)**
Investing activities	
Purchase of plant and equipment	(24)
Interest received	870
Net cash from investing activities	**846**
Financing activities	
Repayment of bank loans	(25)
Proceeds from issue of shares	2,799
Net cash from financing activities	**2,774**
Net change in cash and cash equivalents	2,836
Cash and cash equivalents at date of common control	879
Cash and cash equivalents, end of period	**3,715**

This statement should be read in conjunction with the notes to the financial statements

Notes to the consolidated financial statements

1 General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Aquaint Capital Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

Aquaint Capital Holdings Limited is the Group's ultimate parent company. Aquaint Capital Holdings Limited is a public company incorporated and domiciled in Victoria, Australia on 24 June 2013. The address of its registered office and its principal place of business is Level 31, 120 Collins Street, Melbourne VIC 3000, Australia.

The principal activities of the Company are those of an investment holding company and its subsidiaries are engaged in the businesses of coaching and seminar, investment management and property development.

The consolidated financial statements for the year ended 31 December 2013 were approved and authorised for issue by the board of directors on 31 March 2014.

2 Accounting policies

2(a) Structuring exercise for IPO and historical information

On 4 August 2004, Aquaint Capital Limited ("Aquaint Capital") was incorporated as a limited liability company in Australia. Two directors of the Company (Tan Yang Po and Soo Ming Chiang, collectively the Directors) acquired 100% equity interest in Aquaint Capital in April 2013. Aquaint Capital became a wholly owned subsidiary of the Company on 28 June 2013.

On 28 June 2013, Aquaint Capital acquired 100% equity interests in Aquaint Property Pte Ltd ("Aquaint Property") and Aquaint Property became a wholly owned subsidiary of the Group.

On 15 January 2013, Aquaint Property was incorporated as a limited liability company in the Republic of Singapore. Aquaint Property acquired the business, assets and liabilities of a company, Azea Property Investment Pte Ltd ("Azea Property Investment"), on 1 April 2013 for a consideration of S$1,002,230. Both Aquaint Property and Azea Property Investment were controlled by the Directors. Aquaint Property became a wholly owned subsidiary of Aquaint Capital on 28 June 2013. The registered office of Aquaint Property is located at 24 Raffles Place, #07-04, Clifford Centre, Singapore 048621.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(a) Structuring exercise for IPO and historical information

On 1 March 2013, Aquaint Property Sdn Bhd ("APSB") was incorporated as a limited liability company in Malaysia. APSB acquired the business, assets and liabilities of a company, Azea Property Sdn Bhd ("Azea Property Malaysia"), on 1 April 2013 for a consideration of RM441,098. Both APSB and Azea Property Malaysia were controlled by the Directors. APSB became a wholly owned subsidiary of Aquaint Property on 28 June 2013. The registered office of APSB is located at A-09-09, Level 9, Empire Office Tower, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan.

On 8 February 2013, Azeana Pte Ltd ("Azeana") was incorporated as a limited liability company in the Republic of Singapore. Azeana acquired the business, assets and liabilities of a company, Azea Personal Coaching Pte Ltd ("Azea Personal Coaching"), on 1 April 2013 for a consideration of S$60,145. Both Azeana and Azea Personal Coaching were controlled by the Directors. Azeana became a wholly owned subsidiary of Aquaint Property on 28 June 2013. The registered office of Azeana is located at 24 Raffles Place, #07-04, Clifford Centre, Singapore 048621.

On 18 May 2011, Azeana Sdn Bhd was incorporated as a limited liability company and wholly owned subsidiary of Aquaint Property in Malaysia controlled by the Directors. The registered office is located at A-09-09, Level 9, Empire Office Tower, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan.

On 28 June 2013, the Company acquired 100% of the equity interest of Aquaint Capital.

The acquisition of Aquaint Capital and its subsidiaries by the Company was a combination of businesses under common control by the Directors, Tan Yang Po and Soo Ming Chiang, as they controlled the Group entities before and after the Structuring Exercise. As a result, the Company accounted for the acquisitions in a manner similar to a pooling of interests. The group has accounted for transactions from the date of acquisition.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(a) Structuring exercise for IPO and historical information

Upon completion of the above Structuring Exercise, the Company had acquired the following subsidiaries:

	Country of incorporation	Percentage of equity held	Principal activities
Aquaint Capital Limited	Australia	100%	Provision of fund management services
Aquaint Income Fund	Australia	100%	Provision of secured loans
Aquaint Property Pte Ltd	Singapore	100%	Provision of funding for property development projects
Azeana Pte Ltd	Singapore	100%	Conducting seminars
Aquaint Property Sdn Bhd	Malaysia	100%	Provision of funding for property development projects
Azeana Sdn Bhd	Malaysia	100%	Conducting seminars

2(b) Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below.

The consolidated financial statements have been prepared under the historical cost convention except as disclosed.

The consolidated financial statements are presented in Australian dollars (AUD), The functional currency of the Company is Singapore dollars (SGD). All financial statements have been presented in AUD, unless otherwise stated.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(b) Basis of preparation

The consolidated financial statements of the Group for the year ended 31 December 2013 have been prepared based on the audited financial statements of the companies now comprising the Group, on the basis set out in Note 2(e).

A key policy choice in this consolidated financial statements relate to the method of consolidation. A business combination is a "common control combination" if the combining entities are ultimately controlled by the same party (including the same individual shareholder or a group of shareholders acting together in accordance with a contractual arrangement) both before and after the combination and the common control is not transitory. For the purposes of this consolidated financial statements, the creation of the Aquaint Capital Holdings Limited Group (the "Group") under the Structuring Exercise set out in Note 2 has been treated as a business combination involving entities under common control. Business combinations involving entities under common control fall outside the scope of AASB 3: Business Combinations. In accordance with AASB 8, Accounting Policies, Changes in Accounting Estimates and Errors, management have considered the pronouncements of other standard-setting bodies in developing an accounting policy for common control combinations, in particular the pooling of interest-type method prescribed under US GAAP in paragraphs D11 to D18 of SFAS 141, Business Combinations.

As a result, the Group accounts for business combinations involving entities under common control using pooling of interest-type accounting. Under this policy, the assets and liabilities of the acquiree are recorded at book value and not fair value (although adjustments are made to achieve uniform accounting policies), intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the acquiree in accordance with applicable IFRS, no goodwill is recorded, any expenses of the combination are written off immediately in the income statement.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(b) Basis of preparation

The Group has accounted for transactions from the date of acquisition.

The accounting policies applied by the Group are consistent with all years presented in the consolidated financial statements.

2(c) Significant accounting estimates and judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Critical assumptions used and accounting estimates in applying accounting policies are described below:

(i) Estimation Uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage, maintenance programmes, and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying value of plant and equipment at the reporting date amounted to A$133,000.

Impairment of non-financial assets

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(c) Significant accounting estimates and judgements

The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors.

Allowance for loans and receivables

Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible.

In determining whether a trade receivable is impaired, management has used estimates based on historical loss experience for assets with similar credit risk characteristics, default of payments, indications of financial difficulties of the specific customer, and general economic conditions. The carrying value of trade and other receivables at the reporting date amounted to A$5,587,000.

Valuation of investment properties

The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers. The determination of the fair value of investment property requires the use of historical transaction comparables and estimates such as future cash flows from assets and capitalisation rates applicable to those assets. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. The carrying value of investment properties at the reporting date amounted to A$4,065,000.

Impairment of financial assets (loans receivable)

The Group has invested in loans receivable from third parties (the "Assets") with a carrying value of A$33,527,000 respectively, as at 31 December 2013. Loans receivable are tested for impairment if indicators of impairment are identified. The recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. Such impairment loss is recognised in the statement of comprehensive income.

Management judgement is required in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset in the business.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(c) Significant accounting estimates and judgements

(3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level, if any, of impairment, including the discount rates or the growth rate assumptions in the cash flow projections could materially affect the net present value used in the impairment test and as a result affect the Group's results.

Significant judgement is applied by management in determining the recoverability of the Assets. Judgements in identifying impairment losses include a review of the current performance of the investee company and whether market, economic or company-specific conditions have significantly improved or deteriorated since the time of the original investment. Furthermore, the review of the financial performance and position of the investee company are based on historical financial information (and in certain cases, based on unaudited financial information of the investee company's principal subsidiary) which may not be indicative of the investee company's recoverable amounts as of the reporting date. The recoverable amounts may differ significantly from the carrying amounts at the reporting date had a readily available market for such Assets existed, or had such Assets been liquidated, and the differences could be material to the financial statements.

(ii) Judgment

Income taxes

Significant judgement is involved in determining the provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying value of the Group's current and deferred tax liabilities at the reporting date amounted to A$340,000 and A$502,000 respectively.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(d) New and revised standards that are effective for annual periods beginning on or after 1 January 2013

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below.

AASB 10 Consolidated Financial Statements
AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements (AASB 127) and AASB Interpretation 112 Consolidation - Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

Consequential amendments to AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures

AASB 127 now only addresses separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.

AASB 13 Fair Value Measurement
AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(d) New and revised standards that are effective for annual periods beginning on or after 1 January 2013

The Group has not applied the following AASBs that have been issued but are not yet effective:

Reference	Description
AASB 9	Financial Instruments
AASB 1053	Application of Tiers of Australian Accounting Standards
AASB 2010-2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
AASB 2013-3	Recoverable Amount Disclosures for Non-Financial Assets
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities
AASB Interpretation 21	Levies

Management has assessed the potential impact of the adoption of such standards and interpretations on the financial statements of the Company on a preliminary basis. The impact is not expected to be significant and will primarily be disclosure related.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies

Business combinations

Common control business combination outside the scope of AASB 3

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Accordingly, the assets and liabilities of these entities have been accounted for at historical amounts in the consolidated historical financial statements.

In applying pooling-of-interests accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the consolidated historical financial statements of the combined entity as if the combination had taken place at the beginning of the earliest comparative period presented.

A single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognised the assets, liabilities and equity of the combining entities or businesses at the carrying amounts in the consolidated historical financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such consolidated historical financial statements had been prepared by the controlling party, including adjustments required for conforming the combined entity's accounting policies and applying those policies to all periods presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination.

The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the consolidated historical financial statements of the combined entity.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies

Non common control business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2013. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Basis of consolidation Cont

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Renovation	3 to 10 years (shorter of lease terms and beneficial period)
Office equipment	3 to 5 years
Computer equipment	1 year

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

No depreciation is provided on assets under construction. Depreciation of these assets, on the same basis as other items of plant and equipment, commences when the assets are ready for their intended use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Plant and equipment and depreciation Cont

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

Financial instruments

Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Classification and subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments
- available-for-sale (AFS) financial assets.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below. The Group does not have investments in FVTPL and HTM financial assets.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Financial instruments Cont

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and most other receivables and loan receivables from third parties fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Cash and cash equivalents
Cash and cash equivalents comprise cash and bank balances. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Determination of fair value
The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active or is unquoted, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Equity and Reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- Foreign currency translation reserve – comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into AUD.
- Merger reserve – The balance on the merger reserve represents the fair value of the consideration given in excess of the nominal value of the ordinary shares issued in an acquisition made by the issue of shares.

Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

Non-derivative financial liabilities

The Group's financial liabilities include trade and other payables and loans and borrowings, excluding deferred revenue.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Provisions, contingent liabilities and contingent assets
Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

Income taxes
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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 or taxable profit or loss at the time of the transaction.

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

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Income taxes Cont

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax is measured:

- at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

- based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where the Group is a lessor

Assets leased out under operating leases are included in investment properties and are stated at fair value and not depreciated. Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Where the Group is a lessee

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as a reduction of rental expense on a straight-line over the term of the lease term.

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation and are not occupied by the Group. Investment properties are treated as non-current investments and are initially recognised at cost and subsequently carried at fair value, representing open market value determined on annual basis by an independent firm of professional valuers. Gross changes in fair values and the related tax impact are recognised in profit or loss.

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

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Investment properties Cont

Transfers

Transfers to, or from, investment properties are made where there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment;
- commencement of development with a view to sell, for a transfer from investment properties to development properties; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

Rental income and operating expenses from investment property are reported within revenue and other expenses respectively.

Impairment of non-financial assets

The carrying amounts of non-financial assets, other than investment property at fair value, subject to impairment test are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purpose of assessing impairment, assets are grouped at the lowest levels (cash generating units) for which there are separately identifiable cash flows. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually or more often if there are indicators of impairment. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Impairment of non-financial assets Cont

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

- With the exception of goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a decrease in that impairment loss is reversed through profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to an impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting date.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Employee benefits Cont

Defined contribution plans
Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the income statement as incurred.

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

Related parties
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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 subsidiary operates ("functional currency"). The functional currency of the Company is Singapore Dollars (SGD).

The consolidated financial statements of the Group are presented in Australian Dollars. The choice of presentation currency is to better reflect the currency that mainly determines economic effects of transactions, events and conditions of the Group.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the profit or loss as part of the gain or loss on disposal of the foreign operation.

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. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

Group entities

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 (including comparatives) are translated at the closing exchange rates at the end of the reporting period;

(ii) Income and expenses (including comparatives) are translated at average exchange rates; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Revenue recognition
Membership and seminar fees are recognised upon receipt.

Referral and consultancy fees are recognised when the services are rendered and the conditions to the right to receive the fees have been satisfied.

Revenue from the rendering of management services is recognised upon the delivery of the service to the trusts for which the Group acts as the manager or a responsible entity.

<u>Interest income</u>
Interest income is recognised on a time-apportionment basis using the effective interest rate method.

<u>Dividend income</u>
Dividend income is recognised when the shareholders' rights to receive payment have been established.

<u>Rental income</u>
The Group also earns rental income from operating leases of its investment properties. Rental income is recognised on a straight-line basis over the term of the lease.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO.

All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under AASB 8 are the same as those used in its financial statements except for corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. In the financial periods under review, this primarily applies to the Group's headquarters.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

Notes to the consolidated financial statements Cont

2 Accounting policies Cont

2(e) Summary of significant accounting policies Cont

Term investment units

Term investment units have defined maturity dates and rank ahead of ordinary units. They are therefore classified as financial liabilities. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance sheet date if unit holders exercised their right to put the units back to the Fund. Any surplus remaining in the Fund would be distributed to ordinary unit holders.

AASB 132: Financial Instruments: Disclosure and Presentation, therefore requires the term investment units' reserves and accumulated profits or losses to be classified as a financial liability, which is titled members' interests. Accordingly distributions paid or payable to holders of term investment units are classified as finance costs in the Statement of Profit or Loss and Other Comprehensive Income.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Notes to the consolidated financial statements Cont

3 Interests in subsidiaries

Set out below details of the subsidiaries held directly by the Group:

Name of the subsidiary	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group
			31 Dec 2013
Aquaint Capital Limited	Australia	Provision of fund management services	100%
Aquaint Income Fund	Australia	Provision of secured loans	100%
Aquaint Property Pte. Ltd.	Singapore	Provision of funding for property development projects	100%
Azeana Pte. Ltd.	Singapore	Conducting seminars	100%
Aquaint Property Sdn. Bhd.	Malaysia	Provision of funding for property development projects	100%
Azeana Sdn. Bhd.	Malaysia	Conducting seminars	100%

Notes to the consolidated financial statements Cont

4 Segment reporting

Management currently identifies the Group's revenue by geographical market as its operating segments (see Note 2(e)). These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of adjusted segment operating results.

Segment information for the reporting period is as follows:

	Australia 2013 A$'000	Singapore 2013 A$'000	Malaysia 2013 A$'000	Total 2013 A$'000
Revenue				
Referral and consultancy fees	-	3,098	202	3,300
Interest income	1,218	1,874	-	3,092
Rental income	-	140	-	140
Others	70	527	-	597
Segment revenues	**1,288**	**5,639**	**202**	**7,129**
Direct costs	(22)	(224)	(85)	(331)
Other income	269	912	-	1,181
Administrative expenses	(1,363)	(2,825)	(387)	(4,575)
Other operating expenses	(649)	(230)	68	(811)
Finance costs	-	(100)	-	(100)
Profit before income tax	(477)	3,172	(202)	2,493
Income tax expenses	(335)	(469)	(9)	(813)
Profit for the year	**(812)**	**2,703**	**(211)**	**1,680**
Segment assets 2013	**17,712**	**27,819**	**1,496**	**47,027**
Segment liabilities 2013	**4,707**	**1,365**	**1,651**	**7,723**

Notes to the consolidated financial statements Cont

4 Segment reporting Cont

The Group's revenues and its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) are divided into the following geographical areas:

	2013 A$'000 Revenue	2013 A$'000 Non-current assets
United Kingdom	140	4,065
United States	93	-
Germany	2,955	-
India	3,941	-
Total	**7,129**	**4,065**

Revenues have been identified on the basis of the market's geographical location. Non-current assets are allocated based on their physical location.

5 Revenue

	2013 A$'000
Referral and consultancy fees	3,300
Interest income	3,092
Rental income	140
Other income	597
Revenue	**7,129**
Rental income	44
Other income	1,137
Other revenue	**1,181**

6 Expenses

Profit before income tax includes the following specific expenses:

	2013 A$'000
Depreciation expense	34
Employee benefits expenses	2,019
Defined contribution superannuation expenses	124
Impairment of financial assets	144
Change in fair value of investment property	182
Net foreign exchange gains and losses	1,137
Operating lease expense	132

Notes to the consolidated financial statements Cont

7 Finance costs

Finance costs for the reporting periods consist of the following:

	2013 A$'000
Interest expense	100
	100

8 Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Aquaint Capital Holdings Limited at 30% and the reported tax expense in profit or loss are as follows:

	2013 A$'000
Profit before tax	2,493
Domestic tax rate for Aquaint Capital Holdings Limited	30%
Expected tax expense	**748**
Adjustment for tax-rate differences in foreign jurisdictions	(412)
Adjustment for tax-exempt income:	(62)
Adjustment for non-taxable income:	(257)
Adjustment for non-deductible expenses:	427
Adjustment for deferred tax assets on tax losses and temporary differences not recognised	369
Actual tax expense	**813**
Tax expense comprises:	
Current tax expense	316
Deferred tax expense:	
- Origination and reversal of temporary differences	497
Tax expense	**813**

Notes to the consolidated financial statements Cont

9 Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company (Aquaint Capital Holdings Limited) as the numerator, i.e. no adjustments to profit were necessary in 2013.

The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	2013
	A$'000
Group's profit after tax before comprehensive income (A$'000)	**1,680**
Number of shares:	
Weighted average number of shares used in basic and diluted (Note A) earnings per share	**84,834,598**
Earnings per share (Australian cents)	**1.98**

Notes:
The basic and diluted earnings per share are computed using the same basis of computation as there are no potentially ordinary shares issued by Aquaint Capital Holdings Limited for the financial period ended 31 December 2013.

10 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2013
	A$'000
Cash at bank and in hand:	
AUD	1,155
SGD	518
USD	-
MYR	42
Short term deposits (AUD)	2,000
Cash and cash equivalents	**3,715**

Notes to the consolidated financial statements Cont

11 Trade and other receivables

Trade and other receivables consist of the following:

	2013 A$'000
Trade receivables, gross	3,582
Allowance credit losses	-
Trade receivables	**3,582**
Other receivables	
- Amounts due from Companies in which Directors have interest	247
- Deposits	48
- Others	1,708
Financial assets	**2,003**
Prepayments	2
Non-financial assets	**2**
	5,587

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. All of the Group's trade and other receivables have been reviewed for indicators of impairment. There is no impairment arising from the outstanding balances of trade and other receivables.

The amounts due from companies owned by Directors are unsecured, interest-free and repayable on demand.

Trade and other receivables are denominated in the following currencies:

	2013 A$'000
Current	
Australian dollar	457
United States dollar	2,008
Singapore dollar	1,624
Pound sterling	149
Malaysia ringgit	1,349
Others	-
	5,587

Notes to the consolidated financial statements Cont

11 Trade and other receivables Cont

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

	2013 A$'000
Past due 0 to 3 months	3,582
	3,582

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due up to 3 months. These receivables are mainly arising by customers that have a good credit record with the Group.

Notes to the consolidated financial statements Cont

12 Financial assets and liabilities

12.1 Categories of financial assets and liabilities

Note 2(e) provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Note	2013 A$'000
Financial assets		
Loans and receivables		
Loans receivables from third parties	12.2	19,835
Long –term financial assets		**19,835**
Cash and cash equivalents	10	3,715
Loans and receivables:		
Trade and other receivables	11	5,587
Loans receivables from third parties	12.2	13,692
Short –term financial assets		**22,994**
Financial liabilities		
Financial liabilities measured at amortised cost:		
Financial liabilities	16	3,889
Trade and other payables	15	2,992
		6,881

A description of the Group's financial instrument risks, including risk management objectives and policies is given in Note 23.

The methods used to measure financial assets and liabilities reported at fair value are described in Note 24.

Notes to the consolidated financial statements Cont

12 Financial assets and liabilities Cont

12.2 Loans and receivables

The details of loans receivable from third parties are as follows:

	2013 A$'000
Current	
Third parties (secured)	
At 1 January	-
Additions	15,234
Proceeds	(1,448)
Unrealised foreign exchange loss	(48)
Translation reserve	(1)
At 31 December	**13,737**
Less: Allowance for impairment loss	
At 1 January 2013	-
Allowance for the year	(45)
Translation reserve	-
At 31 December 2013	**(45)**
Total net loans receivable from third parties	**13,692**
Non-Current	
Third parties (secured)	
At 1 January	-
Additions	19,936
Translation reserve	(1)
At 31 December (carrying amount at amortised cost)	**19,935**
Less: Allowance for impairment loss	
At 1 January 2013	-
Allowance for the year	(99)
Translation reserve	(1)
At 31 December 2013	**(100)**
Total net loans receivable from third parties	**19,835**

Notes to the consolidated financial statements Cont

12 Financial assets and liabilities Cont

12.2 Loans and receivables Cont

Details of the loans receivable from third parties at the reporting date are as follows:

Borrowers	A$'000	Loan period	Repayment term	Interest	Secured assets
Current					
Pine-Oaks Partners, LLC	-	The 3 year anniversary from 12 August 2010, or within 30 days after the sale of the Property	On demand	Repayable 10% per annum, the remaining 8% to be paid upon exit of the property investment	Second charge over Sabine Park Apartments located at 111W. Pine Ave., Houston, Texas 77630
Singcross Partners, LLC	1,260	The 2 year anniversary from 1 January 2011, or within 30 days after the sale of the Property	On demand	Fixed interest rate 12% per annum	Second charge over "Crossings at Windsor Square" located at 4503 S. Kirkwood, Houston TX 77072
Dolphin Capital GmbH	2,604	1 year	12 months from the date of entering into Co-Development Agreement.	Fixed interest rate between 12% to 14% per annum	No security
Aquaint Capital Pte Ltd	5,711	16 months from 24th June 2013 to 31st October 2014	Maturity date	Total interest of $3,108,626, payable in three equal instalments on 31 October 2013, 30 April 2014 and 31 October 2014	No security

Notes to the consolidated financial statements Cont

12 Financial assets and liabilities Cont

12.2 Loans and receivables Cont

Borrowers	A$'000	Loan period	Repayment term	Interest	Secured assets
Azea Capital Pte Ltd	1,887	16 months from 24th June 2013 to 31st October 2014	Maturity date	Total interest of $929,458, payable in three equal instalments on 31 October 2013, 30 April 2014 and 31 October 2014	No security
Baldric Pte Ltd	1,701	16 months from 24th June 2013 to 31st October 2014	Maturity date	Total interest of $883,792 payable in three equal instalments on 31 October 2013, 30 April 2014 and 31 October 2014	No security
Loans to Education Facilities Trust	529				Secured by a registered charged over the portable buildings
	13,692				

Notes to the consolidated financial statements Cont

12 Financial assets and liabilities Cont

12.2 Loans and receivables Cont

Borrowers	A$'000	Loan period	Repayment term	Interest	Secured assets
Non-current					
Imperial Gloucester Pte Ltd	1,676	5 years	Maturity date	Historic gross rental yield of about 6% per annum	Fixed and floating charge over all of its assets of Imperial Gloucester
Loans to Education Facilities Trust	897		secured by a registered charged over the portable buildings		
Bria East Asia Fund	17,262		See comment below		
	19,835				

During the year, the Group acquired A$17,262,000 of redeemable preferred shares ("RPS") in Bria East Asia Fund ("Bria Fund").

The Group acquired 14,769 redeemable Bria Shares in the Bria Fund from the Factional Property Investors and accordingly holds 82.9% of the entire issued capital of the Bria Fund. Even though the Group owns 82.9% of the funds in Bria Fund, there is no control over the fund and the Group cannot withdraw its investments in Bria Fund unless approved by directors of Bria Fund.

Terms of the redeemable Bria Shares

The redeemable Bria Shares were issued to the Fractional Property Investors in accordance with the terms of the Confidential Private Offering Memorandum Relating to Participating Shares in Aquaint Growth SPC dated 20 November 2012 and supplemented by the Supplementary Confidential Private Offering Memorandum relating to Participating Shares in Aquaint Growth SPC attributable to the Bria East Asia Fund dated 23 November 2012 (Offer Memorandum). In accordance with the Offer Memorandum, the redeemable Bria Shares have the following key terms:

Notes to the consolidated financial statements Cont

12 Financial assets and liabilities Cont

12.2 Loans and receivables Cont

Terms of the redeemable Bria Shares *Cont*

(a) the subscription price is US$1,000 per redeemable Bria Share;

(b) the minimum investment amount is US$25,000;

(c) the redeemable Bria Shares have the right to dividends determined in accordance with the amount of money invested in the redeemable Bria Shares:

   (i) tier 1 investment of at least US$25,000 will attract a total cumulative return of 24% payable at the rate of 4% per quarter with the first payment to be made 9 months after the date of subscription for the redeemable Bria Shares;

   (ii) tier 2 investment of at least US$80,000 will attract a total cumulative return of 36% payable at the rate of 6% per quarter with the first payment to be made 9 months after the date of subscription for the redeemable Bria Shares; and

   (iii) tier 3 investment of at least US$800,000 will attract a total cumulative return of 48% payable at the rate of 8% per quarter with the first payment to be made 9 months after the date of subscription for the redeemable Bria Shares;

(d) redeemable Bria Shares may only be redeemed 24 months after the date of issue of the shares. The shares may not be redeemed within 24 months after the date of issue of the shares without the consent of the directors of the Fund; and

(e) the redeemable Bria Shares are governed by the laws of the Cayman Islands.

The investment in Bria East Asia Fund is secured by:

(a) A fixed and floating charge over all of the assets of AzeaGaia (the title holder of the Indian properties), Azea Property Investment Ltd (the Mauritian incorporated intermediary which holds the issued capital of AzeaGaia and Azea Gaia Development Pte Ltd (the Singapore holding company of Azea Property Investment Ltd) in favour of the Group to secure the Group's interest in the Indian properties.

Redeemable Bria Shares is denominated in United States dollar.

Notes to the consolidated financial statements Cont

12 Financial assets and liabilities Cont

12.2 Loans and receivables Cont

Loans receivable from third parties are denominated in the following currencies:

	2013 A$'000
Current	
United States dollar	1,259
Singapore dollar	10,748
Malaysia ringgit	1,685
	13,692
Non-Current	
Australian dollar	897
United States dollar	17,262
Singapore dollar	1,676
	19,835

Impairment assessment

Significant judgement is applied by management in determining the recoverability of the loans. Judgements in identifying impairment losses include a review of the current performance of the borrower and whether market, economic or company-specific conditions have significantly improved or deteriorated since the time of the original investment. Furthermore, the review of the financial performance and position of the borrower are based on historical financial information which may not be indicative of the borrower's recoverable amounts as of the reporting date. The recoverable amounts may differ significantly from the carrying amounts at the reporting date had a readily available market for such Assets existed, or had such Assets been liquidated, and the differences could be material to the financial statements.

All of the Company's loan receivables have been reviewed for indicators of impairment. Certain loan and receivables were found to be impaired and an allowance for credit losses of A$143,934 has been recorded accordingly within other operating expenses. The impaired loan receivables are mostly due from the reduction of fair value of the underlying secured assets.

Notes to the consolidated financial statements Cont

13 Plant and equipment

Details of the Group's property, plant and equipment and their carrying amount are as follows:

	Office equipment A$'000	Computers A$'000	Furniture and fittings A$'000	Renovations A$'000	Total A$'000
At date of common control	17	10	49	102	178
Additions	9	10	5	-	24
Translation reserve	2	1	5	11	19
At 31 December 2013	**28**	**21**	**59**	**113**	**221**
Accumulated depreciation					
At date of common control	4	5	17	21	47
Depreciation expense	5	7	10	12	34
Translation reserve	1	1	2	3	7
At 31 December 2013	**10**	**13**	**29**	**36**	**88**
Net book value					
At 31 December 2013	**18**	**8**	**30**	**77**	**133**

14 Investment property

Investment property includes real estate property in United Kingdom, which are owned to earn rentals and capital appreciation.

The fair values of investment properties were estimated using observable data on recent transactions and rental yields for similar properties. Changes to the carrying amounts are as follows:

	2013 A$'000
Additions:	
Addition through acquisition	4,021
Net exchange differences	-
Net loss from fair value adjustments	(182)
Translation reserve	226
Carrying amount 31 December 2013	**4,065**

Notes to the consolidated financial statements Cont

14 Investment property Cont

The Group acquired an investment property during the IPO with a fair value of A$4,021,000 which is settled via the issuance of the Company's shares for the same consideration. The property was acquired on an encumbered basis.

a The property was acquired on an encumbered basis. The title to the property is currently held in the name of Sunil Ramchandani and Lani Cabarles Ramchandani (the Ramchandani's). The Ramchandani's have entered into an agreement with the Group for the transfer of this property to the Group (Kensington Sale Agreement). The property cannot be transferred until the mortgage from Standard Chartered Bank under the bank borrowing (see Note 16) has been discharged by the vendor of the property at settlement. The bank has been notified that the Ramchandani's are holding the property in trust for the Group and accordingly, the property cannot be dealt with without the consent of the Group. Until the transfer of the title to this property has been registered in favour of the Group, the Ramchandani's will hold the title to the property in trust for the Group.

Location	Description	Area sq. feet	Tenure
20 Fairholme Road, London W14 9JX (Kensington Property)	12 units of flat, at valuation	1,470	Assumed freehold

b Leasehold property at 20 Fairholme Road, London W14 9JX is mortgaged for short-term loans from a financial institution (Note 16).

c Investment property is carried at fair values at the end of reporting period as determined by independent professional valuer who has appropriate recognised professional qualification and recent experience in the location and category of the investment properties being valued. Valuations are made annually based on the property' highest-and-best-use using the Direct Market Comparison Method. The direct comparison method involved the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Notes to the consolidated financial statements Cont

14 Investment property Cont

d Investment properties are leased to non-related parties under operating leases.

The following amounts are recognised in the profit or loss:

	2013 A$'000
Rental income	140
Direct operating expenses arising from investment properties that generated rental income	56
Property tax and other direct operating expenses	5

15 Trade and other payables

Trade and other payables consist of the following:

	2013 **A$'000**
Current	
Trade payables	69
Other payables	
- Amounts due to companies in which Directors have interest	645
- Accruals	1,211
- Provision for withholding tax	845
- Others	222
Total trade and other payables	**2,992**

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value. The amounts due to companies owned by Directors are unsecured, interest-free and repayable on demand

Trade and other payables are denominated in the following currencies:

	2013 **A$'000**
Current	
Australian dollar	641
Singapore dollar	2,069
Malaysia ringgit	282
	2,992

Notes to the consolidated financial statements Cont

16 Financial liabilities

	Current	Non-current
	2013	2013
	A$'000	A$'000
Carrying amount at amortised cost:		
Term Investment units	433	999
Bank borrowings	2,457	-
	2,890	**999**

Term investment units

The holder of term investment units has an undivided interest in the Aquaint Income Fund and an entitlement to receive monthly distributions calculated at a nominated rate depending on the term and other conditions agreed. It does not confer any interest in any particular asset or the right to have any interest in any particular asset transferred.

Term investment units rank equally with each other and ahead of ordinary units. Each term investment unit is issued and redeemed at $1.00 per unit.

Term investment units are issued with defined maturity dates. Units that mature within the next twelve months are classified as a current liability. This classification does not take into account the possibility that unit holders may choose to reinvest their units for a further period greater than twelve months.

Borrowings at amortised cost:
As at 31 December 2013, the term loan, bearing bank interest at a fixed rate of 2% per annum, is denominated in Pound sterling (GBP).

The loans are secured by:

- All monies Charges over cash, cash deposits (inclusive of all interests earned on the cash deposits) and marketable securities by Sunil Kumar Ramchandani & Lani Cabarles Ramchandani. (Note 14)
- First legal all monies mortgage on the investment property (Note 14).
- Fresh legal assignment of all rental proceeds, rights, titles, interest and benefits of the tenancy agreement on the Property to be executed in favour of the Bank.

Notes to the consolidated financial statements Cont

17 Deferred tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses can be summarised as follows:

Deferred tax liabilities (assets)	At date of common control A$'000	Recognised in other comprehensive income A$'000	Recognised in profit and loss A$'000	31 December 2013 A$'000
Non-current assets				
Plant and equipment	5	-	(4)	1
Current assets				
Loan receivables from third parties	-	-	118	118
Available-for-sale investment	-	-	383	383
	5	-	497	502

There are no taxes on comprehensive income recognised during the financial period ended 31 December 2013.

Notes to the consolidated financial statements Cont

18 Share capital

The share capital of Aquaint Capital Holdings Limited consists only of fully paid ordinary shares, the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of Aquaint Capital Holdings Limited.

	2013
Shares issued and fully paid:	**A$000**
Beginning of the year	
Share issue, net	37,785
Shares issued and fully paid	37,785
Shares authorised for share-based payments	-
Total shares authorised at 31 December	**37,785**

	Date issued	**No of shares**
Opening – 1 January 2013		-
Additions during the year:		
Investment in ACL	24 June 2013	14,500,000
Investments	7 August 2013	87,791,863
Cash from IPO	4 November 2013	4,665,000
		106,956,863

The Company issued an aggregate of A$38,976,000 of share capital (prior to set-off equity raising costs expenses) during the period ended 31 December 2013 for a total number of ordinary shares of 106,956,863 via the following transactions:

1. The Company issued 14,500,000 shares in satisfaction of its investment in the subsidiary, Aquaint Capital Limited.
2. The Company issued 87,791,863 of shares for in consideration for the Group's acquisition of investments in investment properties and loans and receivables.

Notes to the consolidated financial statements Cont

18 Share capital Cont

3. On 4 November 2013, the Company issued 4,665,000 shares for a cash consideration of A$2,799,000 to the third party shareholders as part of its initial public offering exercise.

Each share has the same right to receive dividend and the repayment of capital and represents one vote at the shareholders' meeting of Aquaint Capital Holdings Limited.

Expenses related to the initial public offering amounting to A$1,191,000 have been charged against the share capital of the Company.

19 Reserves

The nature and purpose of reserves are:

i **Foreign currency translation**
Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 2(e) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

ii **Merger reserve**
The balance on the merger reserve represents the fair value of the consideration given in excess of the nominal value of the ordinary shares issued in an acquisition made by the issue of shares.

20 Related party transactions

The Group's related parties include key management and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The following related parties have been identified:

a. Non-executive director, John Sampson, is also the director of JBS Investment Management Limited which manages the Bria East Asia Fund.

b. The husband of non-executive director, Heather Chong, has a 17.5% shareholding of ACH Investments Pte Limited which is the parent of Aquaint Capital Pte Ltd, Azea Pte Ltd, Baldric Pte Ltd and Imperial Gloucester Pte Ltd which hold investments for the Aquaint Capital Holdings Limited group.

c. The Group has provided or obtained advances from Azea Property Investment Pte Ltd, Azea Personal Coaching Pte Ltd and Azea Property Investment Sdn Bhd, in which the director of the Company, Tan Yang Po, has interests.

Notes to the consolidated financial statements Cont

20 Related party transactions cont

Details of related party transactions during the period are as follows:

	2013 A$'000
Loans to related parties at 31 December 2013:	
Aquaint Capital Pte Ltd	5,711
Azea Capital Pte Ltd	1,887
Baldric Pte Ltd	1,701
Bria East Asia Fund	17,262
Imperial Gloucester Pte Ltd	1,676
Amounts due from related parties at 31 December 2013:	**A$'000**
Aquaint Capital Pte Ltd	365
Azea Capital Pte Ltd	294
Baldric Pte Ltd	66
Bria East Asia Fund	1,217
Imperial Gloucester Pte Ltd	115
Azea Personal Coaching Pte Ltd	247
Amounts due to related parties at 31 December 2013:	**A$'000**
Azea Property Investment Pte Ltd	379
Azea Personal Coaching Pte Ltd	129
Azea Property Investment Sdn Bhd	137
Income recognised in the period ended 31 December 2013:	**A$'000**
Aquaint Capital Pte Ltd	1,035
Azea Capital Pte Ltd	310
Baldric Pte Ltd	294
Bria East Asia Fund	1,217
Imperial Gloucester Pte Ltd	34

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Notes to the consolidated financial statements Cont

20 Related party transactions Cont

20.1 Transactions with key management personnel

Key management of the Group are the executive members of Aquaint Capital Holdings Limited's Board of Directors and members of the executive council. Key management personnel remuneration includes the following expenses:

	2013 A$'000
Short term employee benefits	
Salaries including bonuses	1,093
Total short term employee benefits	**1,093**
Total remuneration	**1,093**

20.2 Shares held by key management personnel

The number of ordinary shares in the Company during the 2013 reporting period by each of the key management personnel of the Group, including their related parties are set out below:

Period ended 31 December 2013

	Balance at start of year	Granted as remuneration	Received on exercise	Other changes	Held at the end of the reporting period
Tan Yang Po	-	-	-	7,219,699	7,219,699
Soo Ming Chiang	-	-	-	5,814,000	5,814,000
John Sampson	-	-	-	-	-
Roy Ling Chung Yee	-	-	-	-	-
Heather Jane Chong	-	-	-	-	-
	-	-	-	13,033,699	13,033,699

Notes to the consolidated financial statements Cont

21 Auditor remuneration

	2013 A$'000
Audit and review of financial statements	
- Auditors of Aquaint Capital Holdings Limited	40
- Overseas Grant Thornton network firms	150
Remuneration for audit and review of financial statements	**190**
Other services	
Auditors of Aquaint Capital Holdings Limited	
- Other services relating to the IPO	67
- Taxation compliance	-
Overseas Grant Thornton network firms:	
- Other services relating to the IPO	176
- Taxation compliance	11
Total other service remuneration	**254**
Total auditor's remuneration	**444**

22 Operating leases

<u>The Group as lessee:</u>

The Group leases an office under an operating lease. The future minimum lease payments are as follows:

	Minimum lease payments due			
	Within 1 year A$'000	**1 to 5 years A$'000**	**After 5years A$'000**	**Total A$'000**
31 December 2013	153	32	-	**185**

Lease expense during the period amounted to A$132,000 representing the minimum lease payments. The rental contract has a non-cancellable term of 2 years.

Notes to the consolidated financial statements Cont

22 Operating leases Cont

The Group as lessor:

	Minimum lease received due			
	Within 1 year	1 to 5 years	Over 5 years	Total
	A$'000	A$'000	A$'000	A$'000
31 December 2013	119	-	-	119

Lease received during the period amounted to A$140,000 representing the minimum lease received. The investment property rental contract has a non-cancellable term of 1 year.

23 Financial instrument risk

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 12.1. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Market risk analysis

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Notes to the consolidated financial statements Cont

23 Financial instrument risk Cont

Market risk analysis Cont

Foreign currency sensitivity

Most of the Group's foreign currency risk arises on translation of the transactions are carried out other than Australian dollars into the Group's reporting currency (AUD). The currencies giving rise to this risk are primarily the United States dollar (USD), Pound sterling (GBP), Singapore dollar (SGD) and Malaysian ringgit (MYR). The Group does not use forward contracts to hedge its exposure to foreign currency risk in the local functional currency. To mitigate the Group's exposure to foreign currency risk, non-AUD cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies.

Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency sensitivity

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into AUD at the closing rate:

	Short term exposure				Long term exposure			
	USD A$'000	**GBP A$'000**	**SGD A$'000**	**MYR A$'000**	**USD A$'000**	**GBP A$'000**	**SGD A$'000**	**MYR A$'000**
31 December 2013								
- Financial assets	3,267	149	12,890	3,076	17,262	-	1,676	897
- Financial liabilities	-	(2,457)	(2,069)	(282)	-	-	-	(999)
Total exposure	**3,267**	**(2,308)**	**10,821**	**2,794**	**17,262**	**-**	**1,676**	**(102)**

Notes to the consolidated financial statements Cont

23 Financial instrument risk Cont

Market risk analysis Cont

Foreign currency sensitivity

The following table illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities and the USD/AUD exchange rate, GBP/AUD exchange rate, SGD/AUD exchange rate, MYR/AUD 'all other things being equal'. It assumes a +/- 5% change of the AUD/USD exchange rate for the year ended at 31 December 2013. A +/- 5% change is considered for the AUD/GBP exchange rate. A +/- 3% change is considered for the AUD/SGD exchange rate. A +/- 5% change is considered for the AUD/MYR exchange rate. Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the AUD had strengthened against the USD by 5%, GBP by 5%, SGD by 5% and MYR by 5% respectively then this would have had the following impact:

	Profit for the period					Equity				
	USD	GBP	SGD	MYR	**Total**	USD	GBP	SGD	MYR	**Total**
	A$'000	A$'000	A$'000	A$'000	**A$'000**	A'000	A$'000	A$'000	A$'000	**A$'000**
31 December 2013	679	(195)	543	111	**1,138**	679	(195)	543	111	**1,138**

Notes to the consolidated financial statements Cont

23 Financial instrument risk Cont

Market risk analysis Cont

If the AUD had weakened against the USD by 5%, GBP by 5%, SGD by 5% and MYR by 5% respectively then this would have had the following impact:

	Profit for the period					Equity				
	USD	**GBP**	**SGD**	**MYR**	**Total**	**USD**	**GBP**	**SGD**	**MYR**	**Total**
	A$'000	**A$'000**	**A$'000**	**A$'000**	**A$'000**	**A$'000**	**A$'000**	**A$'000**	**A$'000**	**A$'000**
31 December 2013	(679)	195	(543)	(111)	**(1,138)**	(679)	195	(543)	(111)	**(1,138)**

Exposures to foreign exchange rates vary during the period depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's bank borrowings, loans receivable from third parties have fixed interest rates and there is no significant exposure to interest rate risk for these instruments.

The Group's exposure to interest rate risk arises primarily from cash deposits placed with the financial institutions. The Company managed the interest rate risks by placing cash deposits with reputable financial institutions on varying maturities and interest rate terms.

The sensitivity analysis for changes in interest rate is not disclosed as the effect on profit or loss is considered not significant.

Notes to the consolidated financial statements Cont

23 Financial instrument risk Cont

Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, third parties. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2013
Classes of financial assets -	**A$'000**
Carrying amounts:	
Loans and receivable from third parties	33,527
Cash and cash equivalents	3,715
Trade and other receivables	5,587
	42,829

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the 31 December reporting dates under review are of good credit quality.

Notes to the consolidated financial statements Cont

23 Financial instrument risk Cont

Credit risk analysis Cont

At 31 December the Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 31 December, analysed by the length of time past due, are:

	2013
	A$'000
Not more than 3 months	3,582
More than 3 months but not more than 6 months	-
More than 6 months but not more than 1 year	-
More than 1 year	-
Total	**3,582**

Trade and other receivables

The average credit terms granted to customers is about 30 days. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The carrying amounts of trade and other receivables and cash and cash equivalents included in the statement of financial position represent the Company's maximum exposure to credit risk in relation to the Company's financial assets. There is no significant concentration of credit risk as the exposure is spread over a large number of counter-parties and customers. No other financial assets carry a significant exposure to credit risk.

At the reporting date, other than as disclosed in Note 11, no allowances for impairment have been considered necessary in respect of trade and other receivables based on the creditworthiness of the counterparties and credit quality and past collection history of the customers.

Notes to the consolidated financial statements Cont

23 Financial instrument risk Cont

Credit risk analysis Cont

Loans receivables

Credit policies are formulated covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements. All credit facilities, which must be fully secured, require the approval by management as appropriate. All collateral assets must be tangible and accessible or marketable in Germany, United Kingdom, United State of America and India.

The Company has in place a monitoring system to identify early symptoms of problematic loan accounts. A risk grading system is used in determining where impairment provisions may be required against specific credit exposures. Risk grades are subject to regular reviews and credit exposures take into consideration of stress testing of the fair value of collateral and other security enhancements held against the loan and receivables.

In order to mitigate the concentration of credit risk, the loan and receivables are secured on the borrower's assets.

The Company establishes an allowance for impairment losses that represents its estimates of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance.

The Company does not hold any collateral. The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets in the statement of financial position.

Loan and receivables are neither past due or impaired. There are no loans and advances graded as doubtful as at 31 December 2013.

Cash balances are placed with reputable financial institutions of high credit rating.

Notes to the consolidated financial statements Cont

23 Financial instrument risk Cont

Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business.

As part of its overall prudent liquidity management, the Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

As at 31 December 2013, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current		Non-current	
31 December 2013	**Within 6 months A$'000**	**6 to 12 months A$'000**	**1 to 5 years A$'000**	**Later than 5 years A$'000**
Bank borrowings	-	2,890	999	-
Trade and other payables	2,992	-	-	-
Total	**2,992**	**2,890**	**999**	**-**

Notes to the consolidated financial statements Cont

24 Fair value measurement

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2013.

31 December 2013	**Level 1 A$'000**	**Level 2 A$'000**	**Level 3 A$'000**	**Total A$'000**
Financial assets				
Loans and receivables	-	-	33,527	33,527
Total assets	-	-	33,527	33,527
Net fair value	-	-	33,527	33,527

There were no transfers between Level 1 and Level 2 in 2013.

Measurement of fair value of financial instruments

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the chief financial officer (CFO) and to the audit committee. Valuation processes and fair value changes are discussed among the audit committee and the valuation team at least every year, in line with the Group's reporting dates.

Notes to the consolidated financial statements Cont

24 Fair value measurement Cont

Fair value measurement of financial instruments Cont

The valuation techniques used for instruments categorised in Levels 2 are described below:

Loans and receivables

The Group's investments in Bria East Asia Fund are not traded in active markets. These have been fair valued using observable market rate of the secured assets for these investments.

Fair value measurement of non-financial instruments

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2013:

31 December 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
	A$'000	**A$'000**	**A$'000**	**A$'000**
Investment property:				
- Residential in United Kingdom	-	4,065	-	4,065

Fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the board of directors and audit committee at each reporting date.

Further information is set out below.

<u>Residential in United Kingdom (Level 2)</u>

Residential investment properties are carried at fair values at the end of reporting period as determined by independent professional valuers. Valuations are made annually based on the properties' highest-and-best-use using the Direct Market Comparison Method that considers sales of similar properties that have been transacted in the open market. The most significant input into this valuation approach is selling price per square feet.

Notes to the consolidated financial statements Cont

25 Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position and cash flow hedges recognised in other comprehensive income.

The Group's goal in capital management is to maintain a capital-to-overall financing ratio of 60:40 to 40:60. Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. 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.

The amounts managed as capital by the Group for the reporting periods under review are summarised as follows:

	2013
	A$'000
Total equity	39,304
Cash and cash equivalents	3,715
Capital	**43,019**
Total equity	39,304
Borrowings	3,889
Overall financing	**43,193**
Capital-to-overall financing ratio	**0.99**

Notes to the consolidated financial statements Cont

26 Parent entity information

Information relating to Aquaint Capital Holdings Limited ('the parent entity')

	2013 A$'000
Statement of financial position	
Current assets	35,753
Total assets	38,908
Current liabilities	(2,251)
Total liabilities	(2,251)
Net assets	36,657
Issued capital	37,785
Retained earnings	(1,128)
Total equity	36,657
Statement of profit or loss and other comprehensive income	
Profit for the year	(1,128)
Other comprehensive income	-
Total comprehensive income	(1,128)

27 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

28 Statement of cash flows

Significant non-cash items
During the financial year, the Company issued A$38,976,000 (before the set off of listing expenses of A$1,191,000) worth of shares to satisfy the purchase considerations totalling A$36,177,000 to finance the Group's acquisitions of investment properties and loans and receivables.

Directors' declaration

1. In the opinion of the directors of Aquaint Capital Holdings Limited:

   a. the consolidated financial statements and notes of Aquaint Capital Holdings Limited are in accordance with the *Corporations Act 2001*, including

      iv giving a true and fair view of its financial position as at 31 December 2013 and of its performance for the financial period ended on that date; and

      v complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

   b. there are reasonable grounds to believe that Aquaint Capital Holdings Limited will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial period ended 31 December 2013.

3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Director ....
Tan Yang Po

Dated the 31st day of March 2014

Level 1,
67 Greenhill Rd
Wayville SA 5034

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Adelaide SA 5001

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AQUAINT CAPITAL HOLDINGS LIMITED

Report on the financial report

We have audited the accompanying financial report of Aquaint Capital Holdings Limited (the "Company"), which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Grant Thornton

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Aquaint Capital Holdings Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the period ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the period ended 31 December 2013. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Aquaint Capital Holdings Limited for the period ended 31 December 2013, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S K Edwards
Partner – Audit & Assurance

Adelaide, 31 March 2014

Additional information as at 28 February 2014 required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report.

Home Exchange

The Company is listed on the Australian Stock Exchange. The Home Exchange is Sydney.

Substantial Holders L.R. 4.10.4

Holdings of substantial shareholders are set out below.

Ordinary Shares	Quantity
TAN YANG PO	6,890,449
SOO MING CHIANG	5,814,000
SUNIL KUMAR RAMCHANDANI	3,693,874
SUNIL KUMAR RAMCHANDANI & LANI CABARLES RAMCHANDANI	3,110,987

The number of holders in each class of securities LR 4.10.5

The numbers of holders in each class of securities on issue at 28 February 2014 were as follows:

Type of security	Number of holders	Quantity of securities
Ordinary shares		73,209,808
Ordinary shares escrow		18,722,475
Ordinary shares 24 months escrow		15,024,580

The number of holders in each class of securities LR 4.10.14

There are no on securities on voluntary escrow.

Class of Shares and Voting Rights LR 4.10.6

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion which the amount paid up bears to the issue price for the share.

Distribution of Shareholders LR 4.10.7

As at 28 February 2014, the total distribution of fully paid shareholders, being the only class of equity, was as follows:

Range	Fully Paid Ordinary Shares
1 - 1,000	1
1,001 - 5,000	32
5,001 - 10,000	36
10,001 - 100,000	438
100,001 and over	243
Total	750

Unmarketable Parcels L.R. 4.10.8

As at 28 February 2014, No shareholders held less than marketable parcels of shares.

Twenty Largest Quoted Shareholders L.R. 4.10.9

As at 28 February 2014 the twenty largest quoted shareholders held 32.74% of the fully paid ordinary shares as follows:

	Name	Quantity	%
1	SUNIL KUMAR RAMCHANDANI	3,693,874	5.05
2	SUNIL KUMAR RAMCHANDANI & LANI CABARLES RAMCHANDANI	3,110,987	4.25
3	WANG ENG CHIN	1,921,992	2.63
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,619,344	2.21
5	BEH BOON SAN	1,542,599	2.11
6	LINGAMNENI PRAVEEN	1,180,467	1.61
7	TAN YANG PO	1,078,227	1.47
8	MR ENG CHIN WANG	1,012,000	1.38
9	LOW SIEW KIANG	944,002	1.29
10	LIM CHEE KIAT	926,609	1.27
11	YIN CHOY CHEE	863,528	1.18
12	KO BOK LAN	805,968	1.10
13	WONG YEE MEI DENISE	746,988	1.02
14	DOLPHY YEO	731,264	1.00
15	RAMZI BIN KADRI	726,040	0.99
16	PHUAH LAY CHOO & YAP LIOP JIN	675,320	0.92
17	LEONG WAI FONG	662,989	0.91
18	WONG HAI KOK	577,858	0.79
19	YAM SAU FONG	574,709	0.78
20	CHONG PHAIK OUI	574,371	0.78

On Market Buy Back L.R. 4.10.18

There is no on market buy-back.

Corporate Directory

Incorporation No.	ACN: 164 440 859	
Directors	Tan Yang Po	Executive Director CEO
	Soo Ming Chiang	Executive Director COO
	John B. Sampson	Non-Executive Director
	Roy Ling Chung	Non-Executive Director
	Heather J. Chong	Non-Executive Director
Company Secretaries	Marcelo Mora	
Registered Office	Level 31, 120 Collins Street	
	Melbourne VIC 3000	
	Australia	
	Telephone:	(61 3) 8643 4900
	Web site:	www.aquaintcapital.com.au
Singapore Office	24 Raffles Place, #07-04 Clifford Centre	
	Singapore 048621	
	Telephone:	(65) 6532 2920
	Facsimile:	(65) 6532 0509
	Web site:	www.aquaintcapital.com.au
Share Registry	Boardroom Pty Ltd	
	Level 7, 207 Kent Street	
	Sydney NSW 2000	
	Telephone:	1300 737 760
	Facsimile:	1300 653 459
Banker	Australia and New Zealand Banking Group Limited	
	10 Collyer Quay #20-00	
	Ocean Financial Centre	
	Singapore 049315	
Auditors	Grant Thornton Audit Pty Ltd	
	Level , 67 Greenhill Road	
	Wayville SA 5034	
Stock Exchange Listings	Australian Securities Exchange	(Code – AQU)