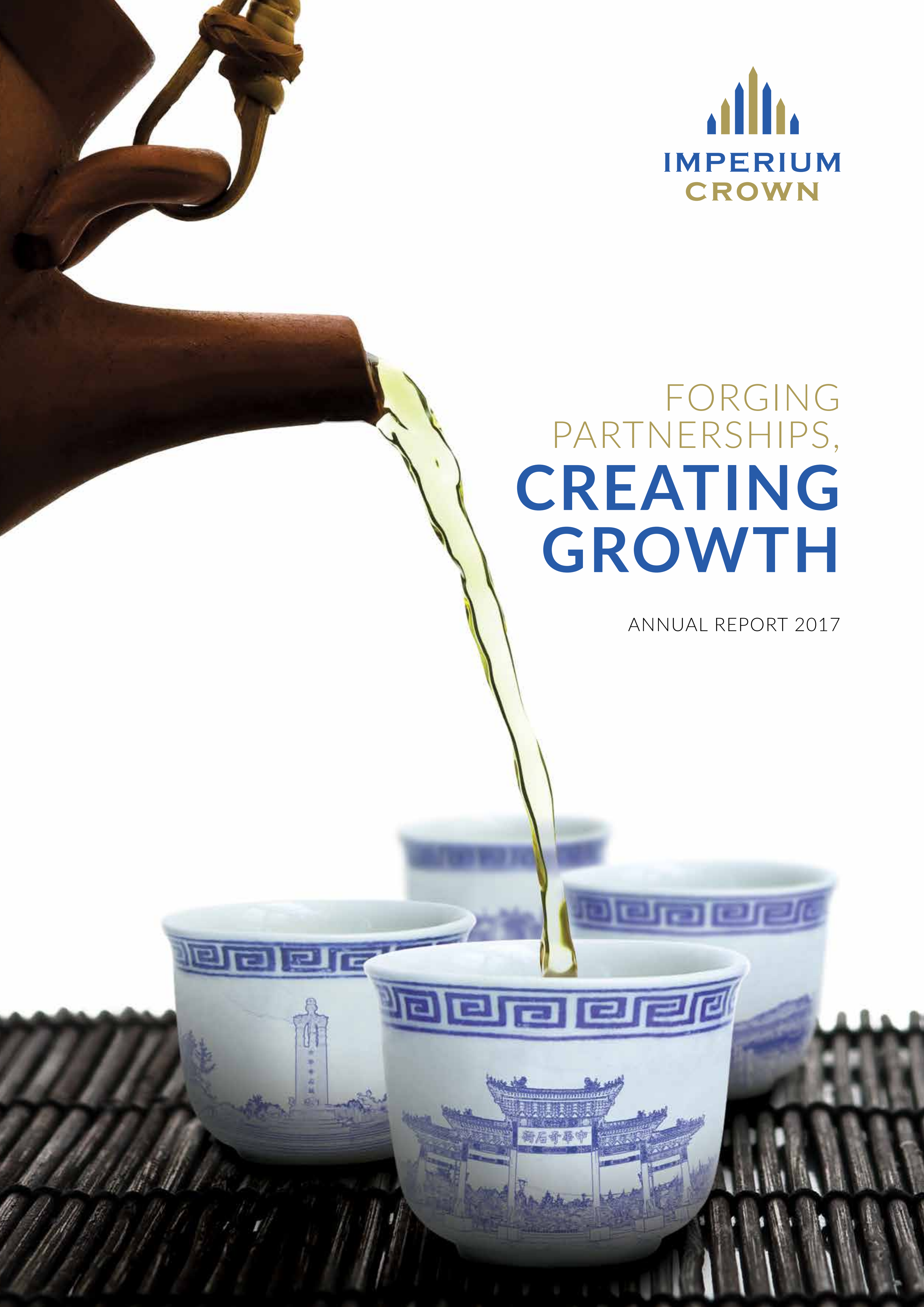
IMPERIUM
CROWN

FORGING PARTNERSHIPS, CREATING GROWTH

ANNUAL REPORT 2017



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Imperium Crown Limited (the "**Company**") is listed on the SGX-ST Catalist Board (stock code: 5HT) and became a component stock of the FTSE ST Catalist Index on 21 September 2015. It was listed on the SGX-ST (Catalist Board) on 19 January 2006. The Company's main business is in property investment and property development in Asia.

The Company aims to build up a portfolio of well-located residential, commercial and mixed residential/commercial development properties with a view towards generating attractive returns for our shareholders. We constantly seek growth opportunities in the real estate sector, especially through experienced and trusted partners in various markets.

Chairman's Message

Dear Stakeholders,

On behalf of my fellow board members, I would like to present to you the annual report for Imperium Crown Limited and its subsidiaries (the "**Company**" or collectively the "**Group**") for the financial year ended 30 June 2017 ("**FY2017**").

FY2017 has been a busy year of transformation for the Group as we sought shareholders' approvals for the divestments of the Group's Japanese portfolio, for capital raising and for the acquisition of a significant stake in Global Entertainment Media Pte. Ltd. ("**GEM**"), which owns a 50-year operating rights to the Wonder Stone Park in Shandong Province, China.

On 20 January 2017, shareholders approved the divestment of the Japanese portfolio when we expressed our intention to reallocate capital towards new markets and to seek new areas of growth. On 30 June 2017, our shareholders also approved the placement of S$37.5 million and the acquisition of the 60% stake in GEM.

As you are well aware, the business environment continues to be challenging, the Group has narrowed its losses by 46% for FY2017 to S$6.7 million compared to S$12.4 million, prior financial year ("**FY2016**") in terms of financial results.

FINANCIAL REVIEW

The Group's overall revenue grew by 2.6% to S$4.9 million in FY2017 compared to S$4.7 million in FY2016. The growth was due to an increase in revenue contribution from the Group's Hatchobori Place office property in Tokyo. The property was fully leased in the third quarter of FY2017, unlike FY2016 where several units including an entire floor were vacant.

The Group registered an increase in other operating expenses to S$7.68 million in FY2017 from S$1.5 million in FY2016 which was offset slightly by a net fair value gain on investment properties of S$1.1 million in FY2017. The significant jump in other operating expenses was due to various reasons such as the increase in legal and professional fees associated with the acquisition of Development West Pty Ltd ("**Development West**") and GEM, an impairment loss of S$2.448 million on an available-for-sale investment arising from Development West as it is uncompleted and is still under development, the loss on disposal of Green Forest Kurame ("**GF Kurame**") as it was sold below its corresponding fair value, although the selling price in Japanese Yen was still higher than the Group's corresponding acquisition cost. The absence of the one-time charge of net fair value loss on investment properties of S$16.5 million that was recorded in FY2016, has allowed the Group to turn in lower losses of S$6.7 million in FY2017.

On the divestment of the five Japanese properties, the sale of GF Kurame was completed during the financial year while the sale of New City Apartment Minowa ("**NCA Minowa**") and New City Apartment Kuramae ("**NCA Kuramae**") were completed in July 2017. New Letters of Intent for the sale of the two remaining properties in the Japanese portfolio have been received and the Company is in the process of proceeding towards definitive agreements. We will provide more updates via the SGXNET as and when material developments occur with regards to these divestments.

NEW CHAPTER

As we pare down our investments in Japan, the Group have embarked on several new ventures as we sought to unlock value for our stakeholders.

Firstly, we have acquired Development West, a real estate developer of a mixed-used complex in Western Australia. Our primary focus for this acquisition is the sale and completion of the residential component, One Richardson, which is made up of 70 one-bedroom, two-bedroom and three-bedroom luxury apartments.

"In FY2017, the Group embarked on a strategic move to reallocate capital to new projects. Through the divestment of its Japanese property portfolio, the Group shall deploy a portion of the net sale proceeds towards new projects."

Secondly, we have set-up a new subsidiary, WS Global Asset Management Pte. Ltd. ("**WSGAM**"). WSGAM's overall vision is to develop its real estate asset management business through collaboration with real estate asset owners to enhance the performance of real estate assets under management. The Company's key strategy is to revitalise commercial real estate assets across the Asia Pacific region. This move will enable the Group to benefit from multiple sources of income including management fees, asset enhancement fees, profit-sharing as well as transaction related fees.

Finally, the Group acquired 60% of GEM. GEM holds a 50-year operating rights to Wonder Stone Park, a prominent tourist destination in Shandong Province, China. The Wonder Stone Park is well located in a culturally and historically significant part of Shandong Province in China. The population of Shandong province stood at close to 96 million, based on census conducted in 2010 and has probably exceeded 100 million by some estimates today. The park is just five minutes from Feixian County city centre, bus terminal, and a High Speed Rail station which will be ready by 2019. More updates will also be provided and announced on SGXNET as and when material developments occur in any of these directions.

In line with China's aims to grow its cultural tourism industry, we believe that there is significant potential for GEM to further develop the Wonder Stone Park. Nonetheless, much work remains ahead of us in the Wonder Stone Park. We will seek out collaborations with new business partners in tourism, hospitality and entertainment to work with us on the Wonder Stone Park.

OUTLOOK

In FY2017, the Group embarked on a strategic move to reallocate capital to new projects. Through the divestment of its Japanese property portfolio, the Group shall deploy a portion of the net sale proceeds towards new projects.

We do not expect the Group's transition to be smooth sailing. We expect to encounter headwinds, difficulties and challenges in this push towards a different market and different segments of businesses. However, notwithstanding the challenges, be it the global economic outlook, those relating to a locale or that faced by the Group internally in terms of its people resources, we shall strive towards improving the efficiencies of our portfolio assets. For example, for Development West and GEM, we will be seeking partnerships with investors and asset owners in order to help unlock the value of the various development properties.

As and when the Company identifies new exciting opportunities, it will engage shareholders actively to seek a fresh mandate from shareholders for our future plans which may significantly change the risk profile of the Company.

ACKNOWLEDGEMENTS

On behalf of our Board of Directors, we would like to thank our tenants and business partners for their unwavering support throughout the course of this financial year.

We would like to extend our appreciation to all our stakeholders for their support, and especially to you, our dear shareholders. Under the stewardship of the Board and our management team, we will work hard for you. We are confident that we will re-vitalise the Group's businesses, in creating and growing value for you, our stakeholders.

Yours truly,

Wan Jinn Woei
Executive Chairman and Chief Executive Officer

Financial Review

"For the financial year ended 30 June 2017 ("**FY2017**"), the Group undertook a series of initiatives to create greater shareholder value by reallocating its capital into more promising real estate opportunities."

OPERATING RESULTS

In spite of the continued weakness in Japan's property market, the Group was able to achieve revenue growth of 2.6% to S$4.9 million in FY2017, compared to S$4.7 million in FY2016. This was mainly due to the increase in revenue contribution from the Group's Hatchobori Place office property in Tokyo, Japan, which was fully leased out in the 3rd quarter of FY2017, compared to the corresponding period in FY2016 where certain units and an entire floor were vacant.

Revenue for the year was derived mainly from a mixed portfolio of five investment properties in Tokyo, comprising three residential properties, a mixed use residential/retail property and an office/retail property.

On 20 January 2017, the Company obtained a general mandate from its shareholders to divest its Japanese property portfolio in its entirety as part of the Group's capital reallocation strategy.

During FY2017, the Group received Letters of Intent for all five of its Japanese investment properties and has since signed sale and purchase agreements to dispose of three of the properties namely Green Forest Kuramae ("**GF Kuramae**"), New City Apartment Minowa ("**NCA Minowa**"), and New City Apartment Kuramae ("**NCA Kuramae**"). The disposal of GF Kuramae was completed in late April 2017 while those of NCA Minowa and NCA Kuramae were completed in late July 2017, resulting in the latter assets still being presented as investment properties classified as assets held for sale in FY2017.

Notwithstanding the completion of the sale of GF Kuramae, the increased revenue contribution from Hatchobori Place more than offset the decrease in revenue contribution from GF Kuramae.

At the continuing operations level, net property income decreased by approximately S$0.3 million to S$2.7 million due to an increase in property operating expenses. This was mainly due to higher commission expenses incurred in connection with the disposal of the Japanese investment properties.

Other income decreased by S$0.1 million from S$0.2 million in FY2016 to S$0.1 million in FY2017 mainly due to the decrease in fixed deposit interest income.

In line with the Group's new strategy to create greater shareholders' value by reallocating capital into more promising projects, in FY2017, the Group acquired Development West Pty Ltd ("**Development West**"), and was in the process of finalising the completion of its proposed acquisition of a 60% stake in Global Entertainment Media Pte Ltd ("**GEM**"). Combined with the ongoing divestment of its Japanese property portfolio, these corporate exercises resulted in the Group's other operating expenses increasing by S$6.2 million from S$1.5 million in FY2016 to S$7.7 million in FY2017.

This was largely attributable to an increase in legal and professional fees arising from the divestment process and the two acquisitions, as well as an increase in related travelling expenses. The Group also registered a loss on disposal of GF Kuramae where the selling price was below its corresponding fair value, although the selling price in Japanese Yen was still higher than its corresponding acquisition costs.

Additionally, the Group recorded a decrease in fair value of $2.4 million in FY2017 in relation to its 27% interest in Richardson Trust ("**Trust**"), held via its newly-acquired subsidiary, Development West. The Trust is a real estate developer of a boutique commercial and residential complex in Western Australia. Using the valuation report provided by the Group's external valuer, Jones Lang LaSalle Australia, and following discussions with the Company's external auditors, the Group recorded the decrease in fair value of Development West's 27% stake in the Trust for FY2017. This was due mainly to the fact that the valuation of the development properties performed by Jones Lang LaSalle Australia was made on an "as is" basis. As the Trust recognises revenue from the sale of its development properties only when the significant risks and rewards of ownership of the development properties have been transferred to the buyers (i.e., revenue is recognised using the completed contract method), no revenue has yet been recorded by the Trust due to delays in the construction of the property. Accordingly, a decrease in fair value of the Trust was recognised.

Following independent valuations on Hatchobori Place and Green Forest Itabashi, the Group's two remaining Japanese properties, performed by independent valuers as at 30 June 2017, the Group booked a net fair value gain on investment properties of S$1.1 million for FY2017. Overall, a fair value gain on the two remaining Japanese properties was noted, translating into a net fair value gain of S$0.6 million.

With the absence of the net fair value loss on investment properties of S$16.5 million in FY2016, the Group turned in lower losses of S$6.7 million in FY2017, compared to a net loss of S$12.4 million in FY2016.

Additionally, the Group registered a loss on exchange differences on translating foreign operations of S$2.9 million primarily due to exchange rate movements between the Japanese Yen and the Singapore Dollar. Taken together, the total comprehensive loss for the year was S$9.5 million.

FINANCIAL POSITION AND CASHFLOW OF THE GROUP

The Group's total assets decreased by approximately 25.3% from S$103.9 million in FY2016 to S$77.6 million in FY2017.

This was attributable to the decrease in non-current assets by S$88.1 million from S$94.1 million in FY2016 to S$6.0 million in FY2017, mainly due to the reclassification of the investment properties from non-current assets to current assets in line with the Group's mandate to divest its Japanese properties. Additionally, an amount of S$6.0 million was deposited with the escrow agent appointed by the Company for the proposed acquisition of GEM, which was completed on 11 August 2017, subsequent to FY2017.

As a result of the reclassification of the remaining investment properties of S$67.0 million from non-current assets to current assets as "assets held for sale", current assets increased from S$9.7 million in FY2016 to S$71.6 million in FY2017. The decrease in cash and cash equivalents by S$4.1 million from S$5.3 million in FY2016 to S$1.2 million in FY2017 was mainly due to, amongst other factors, cash outflows for the acquisition and acquisition related costs of Development West and GEM.

Total liabilities of the Group decreased by approximately 33.2% from S$50.3 million in FY2016 to S$33.6 million in FY2017, mainly as a result of the full repayment of borrowings in connection to GF Kuramae upon completion of its disposal, a decrease in trade and other payables, and a decrease in security deposits.

In line with the mandate to divest the Group's Japanese properties, borrowings in connection with the Japanese investment properties were reclassified from non-current to current. This resulted in non-current liabilities decreasing by S$44.3 million from S$47.8 million in FY2016 to S$3.6 million in FY2017. Correspondingly, current liabilities increased by S$27.6 million from S$2.5 million in FY2016 to S$30.0 million in FY2017.

The Group had a positive working capital of S$41.6 million as at 30 June 2017 compared to S$7.3 million as at 30 June 2016, mainly as a result of the reclassification of investment properties from non-current assets to assets held for sale under current assets. The corresponding outstanding bank borrowings of the investment properties were also reclassified from non-current liabilities to current liabilities.

During the financial year under review, net cash flows used in operating activities amounted to S$0.7 million as at 30 June 2017 mainly due to higher operating cash outflows arising from an increase in travelling costs, professional and legal fees in connection with the divestment process and the proposed acquisition of Development West and GEM, and higher withholding taxes paid in the form of an increase in repatriated funds from Japan arising from the sale of GF Kuramae. The Group generated positive net cash flows from operating activities amounting to S$2.3 million in FY2016.

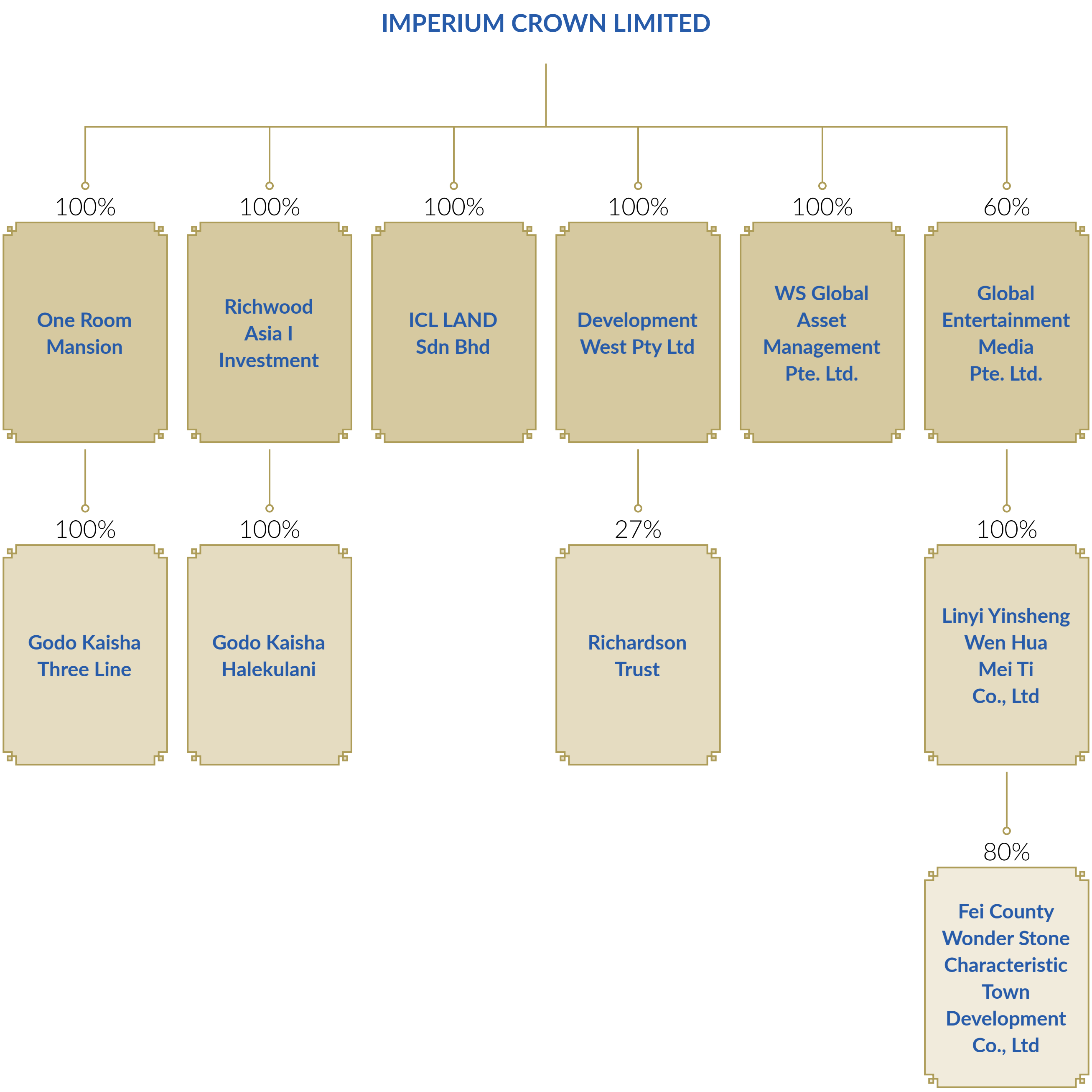
Net cash flows from investing activities was S$10.5 million as at 30 June 2017 mainly due to the receipt of the proceeds from the disposal of GF Kuramae while net cash flows used in financing activities was S$13.8 million as at 30 June 2017 mainly due to the repayment of the outstanding loan for GF Kuramae following its disposal as well as the routine repayments of bank loans in connection with the remaining unsold Japanese investment properties via instalments.

OUTLOOK

While the Group is in the midst of proceeding towards definitive agreements following the receipt of new Letters of Intent that meet the Group's terms in relation to the disposal of the Group's remaining two Japanese properties, the Company will refocus on reallocating capital to new projects. As of 11 August 2017, the Group has completed its proposed acquisition of GEM, which holds 50-year operating rights to Wonder Stone Park, a prominent tourist destination in Feixian County, Linyi City, Shandong Province, China. On 22 August 2017, the Company completed its proposed share placement exercise which raised S$37.5 million for the financing of the GEM acquisition.

In view of China's aims to grow its cultural tourism industry, the Group is optimistic that there is significant potential for GEM to further develop the Wonder Stone Park, in collaboration with local Chinese authorities and business partners.

Group Structure



Portfolio Highlights

"The Group continues to undergo transformation as we divest of our existing Japanese properties and reallocate capital to new, promising projects such as the upcoming Wonder Stone Park project."

Artist's Impression

WONDER STONE PARK

Wonder Stone Park (the "**Park**") is a prominent tourist destination in Feixian County, Linyi City, Shandong Province, China.

The Park is rated "AAAA" by the China National Tourism Administration, and is home to a vast collection of naturally occurring stone boulders and rocks native to the Shandong region of China. With the Feixian County city centre and bus terminal a five minute drive away, the Park is also well-connected to major cities via highways and a High Speed Rail station which would be operational in 2019.

Through its 60% stake in Global Entertainment Media Pte Ltd, the Group currently holds 50-year operating rights to the Park.

RICHARDSON TRUST

Richardson Trust is the developer of a commercial and residential complex at 1 Richardson Street, South Perth, Western Australia. The development comprises 75 units of boutique art-featured apartments and commercial units designed to be used as offices.

Through its subsidiary, Development West Pty Ltd, the Group owns a 27% interest in Richardson Trust.

Board of Directors

1 WAN JINN WOEI

Executive Chairman and Chief Executive Officer

Mr Wan is the Group's Executive Chairman and Chief Executive Officer ("**CEO**"). He joined the Board on 17 August 2016 as Non-Executive Chairman and was re-designated to Executive Chairman and CEO on 23 August 2016. He is responsible for formulation and implementation of strategies to improve overall corporate performance and to lead corporate planning to further the Company's goals.

Mr Wan brings with him more than 10 years of experience in the real estate industry in Malaysia. Prior to joining the Group, Mr Wan was involved in the real estate sector in property development, project managing, marketing and promoting real estate mix developments, residential development, industrial developments and land developments on behalf of joint venture partners and his own businesses.

Mr Wan graduated with a Bachelor of Business Administration from Victoria University, The School of Management. He is a member of Malaysian Institute of Estate Agents.

2 YONG CHOR KEN

Executive Director

Mr Yong is the Group's Executive Director. He joined the Board on 30 June 2016 as Non-Executive and Non-Independent Director and was a member of the Audit, Nominating and Remuneration Committees. Following his re-designation to an Executive Director on 1 January 2017, he ceased as a member of the Audit and Remuneration Committees respectively and remained as a member of the Nominating Committee. On 25 August 2017, he ceased as a member of the Nominating Committee.

Mr Yong is in the field of corporate advisory, restructuring and recovery as well as forensic accounting and litigation support services. His past experience includes the formulating and implementing a restructuring plan of a company listed on the Singapore Exchange Securities Trading Limited in his capacity as the managing director to bring the company back to profitability. He has been a director of various other listed companies and he brings along operational experience in the turnaround efforts within the companies.

Mr Yong holds a degree in Bachelor of Accountancy from the National University of Singapore and a Degree of Master of Business Administration from Nanyang Technological University. He is an approved Liquidator registered with the Accounting and Corporate Regulatory Authority (ACRA) in Singapore and a Fellow Chartered Accountant (Singapore), non-practising member of the Institute of Singapore Chartered Accountants (ISCA).

3 CHEN YEOW SIN

Lead Independent Director

Mr Chen is an Independent Director of the Group and is the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. He joined the Board on 30 June 2016 and was subsequently appointed as the Lead Independent Director on 23 August 2016.

Mr Chen is the Managing Director of One Partnership Public Accounting Corporation, responsible for managing and developing the firm's business. Additionally, he heads the firm's Risk Advisory division that provides controls and advisory services to clients. Mr Chen started his accountancy and audit training with a firm of chartered accountants in London. Upon his qualification as a chartered accountant, he worked in two of the Big Four accounting firms in Singapore before joining a US Fortune 500 energy and resource company as the South East Asia regional internal audit manager where he was responsible for the risks management, internal controls, business process evaluation and improvement and conflict of interest investigation.

Mr Chen holds a Bachelor of Science (Honours) degree in Computer Science from University of London and is a Fellow (practising) Singapore Chartered Accountant as well as a Fellow (non-practising) Member of the Institute of Chartered Accountants in England and Wales.

4 POK MEE YAU

Independent Director

Ms Pok is an Independent Director of the Group and is a member of Audit, Nominating and Remuneration Committees. She joined the Board on 28 February 2017 and was subsequently appointed as the Chairman of the Remuneration Committee on 25 August 2017.

Ms Pok is currently a partner at JLC Advisors LLP, a legal firm that handles both dispute resolutions matters, as well as corporate and commercial affairs. Over the years, she has provided legal counsel to both private and public companies across a broad spectrum of industries. Ms Pok started her career with one of the largest local law firm in Singapore, specialising in IPOs and other listed companies matters. She subsequently expanded her practice into mergers & acquisitions work and other corporate work in both the domestic and the international market. Ms Pok has also acted for charitable foundations and institutions, on their corporate related matters and advising them on their ongoing compliance obligations.

Ms Pok was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 2005 and a Solicitor of England and Wales in 2007. Ms Pok holds a LL.B. (Hons) from University College London and a LL.M from University College London.

5 POH WEE CHIOW, ROGER

Independent Director

Mr Poh is an Independent Director of the Group and is the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. He joined the Board on 30 June 2016 and subsequently relinquished his role as the Chairman of the Remuneration Committee and remained as a member of the Remuneration Committee on 25 August 2017.

Mr Poh has been an investor and public relations professional for over 15 years and had been involved in a wide range of capital market activities ranging from transactional situations such as pre-IPO, IPOs, M&As and reverse mergers to day-to-day investor relations management for over 50 public listed companies. He was a founder of a boutique investor relations firm and also a director at another established investor relations company.

Over the years, he has provided investor relations counsel across a broad spectrum of industries ranging from technology to manufacturing, and from mining to commodities. His investor and public relations experiences also includes providing strategic counsel to Chinese companies, Indonesian, Malaysian and Japanese companies listed on the Singapore Exchange Securities Trading Limited.

Beyond serving public listed companies, he has also been involved in providing investor relations advice to companies seeking fresh capital to foster their growth plans. He has conducted roadshows both in Singapore and in Hong Kong for companies seeking capital through various stages of growth. Mr Poh started his career in the Economic Development Board as a senior officer and has also served a stint as a public relations manager at the Singapore Institute of Management.

Mr Poh holds a Bachelor of Arts (Honours Degree) in English from the National University of Singapore.

Key Management

1 WAN JINN WOEI

Chief Executive Officer

Please refer to page 8.

2 TAN KENG KEAT (CHEN QINGJIE)

Chief Financial Officer

Mr Tan joined the Company as Chief Financial Officer (Designate) on 1 September 2016 and took over the role of Chief Financial Officer on 13 October 2016. His key responsibilities include assisting the Executive Chairman and CEO in the Group's capital management strategy, overseeing the Group's accounting and financial reporting functions, compliance with listing requirements and the Group's administrative matters.

An experienced accountant with over 17 years of experience in the financial sector, he started his professional career with PricewaterhouseCoopers Singapore and later moved on to public listed companies. He has held key positions such as Director, Chief Financial Officer and Company Secretary in companies listed on the Singapore Exchange Securities Trading Limited, the London Stock Exchange and the Australian Securities Exchange and is experienced in financial reporting, corporate finance, treasury, audit, taxation and company secretarial matters. Mr Tan graduated from the Nanyang Technological University with a degree in Accountancy (Honours) and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

Corporate Information

DIRECTORS

Wan Jinn Woei
Executive Chairman and Chief Executive Officer
(Appointed as Non-Executive Chairman on 17 August 2016 and re-designated from Non-Executive Chairman to Executive Chairman and Chief Executive Officer on 23 August 2016)

Yong Chor Ken
Executive Director
(Re-designated from Non-Executive Director to Executive Director on 1 January 2017)

Chen Yeow Sin
Lead Independent Director

Poh Wee Chiow, Roger
Independent Director

Pok Mee Yau
Independent Director
(Appointed on 28 February 2017)

AUDIT COMMITTEE

Chen Yeow Sin (Chairman)

Poh Wee Chiow, Roger

Poh Mee Yau

REMUNERATION COMMITTEE

Pok Mee Yau (Chairman)

Chen Yeow Sin

Poh Wee Chiow, Roger

NOMINATING COMMITTEE

Poh Wee Chiow, Roger (Chairman)

Chen Yeow Sin

Pok Mee Yau

COMPANY SECRETARY

Kiar Lee Noi
(Appointed on 1 December 2016)

REGISTERED OFFICE

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AUDITORS

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8 Wilkie Road
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Singapore 228095

AUDIT PARTNER-IN-CHARGE

Adrian Tan Khai-Chung
Appointed with effect from financial year ended 30 June 2016

SHARE REGISTRAR

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Corporate Governance Report and Financial Statements

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Corporate Governance Report

The board of directors (the "**Board**" or the "**Directors**") of Imperium Crown Limited (the "**Company**" and together with its subsidiaries, the "**Group**") firmly believes in maintaining a high level of corporate governance and has adopted appropriate practices in its business and operational policies to promote greater transparency and to safeguard the interests of shareholders.

The Company has adopted practices based on the Code of Corporate Governance 2012 (the "**Code**") issued by the Monetary Authority of Singapore and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 to aid companies in compliance with the Code (the "**SGX Guide**") through effective self-regulatory corporate practices to protect and enhance the interests and value for its shareholders.

The Company confirms that it has, for the financial year ended 30 June 2017 ("**FY2017**") substantially adhered to the principles and guidelines as set out in the Code and the SGX Guide, and where applicable, it has specified and explained the areas and reasons for non-compliance, where applicable.

I. BOARD MATTERS

The Board's conduct of its affairs

Principle 1: Effective Board to lead and control the Company

The Board is committed to reviewing the business plans and the financial performance of the Group regularly and is responsible for setting the strategic direction and establishing goals for the management team of the Company ("**Management**"). The Board has the overall responsibility for, *inter alia*, providing entrepreneurial leadership, setting strategic objectives, ensuring that necessary financial and human resources are in place for the Company to meet its objectives, identifying key stakeholders groups and recognising that their perceptions affect the Company's reputation and putting in place a framework of good corporate governance in the Group, including the processes for financial reporting and compliance. All Board members bring their independent judgement, diversified knowledge and experience to bear on issues of strategy, performance, resources and standards of conduct. All Directors are required to use reasonable diligence in discharging their duties and responsibilities at all times as fiduciaries and act in good faith in the best interests of the Group.

The Group has adopted a set of guidelines on matters that require Board approval. Matters which are specifically reserved for the Board's decision include those involving business plans and budgets, material acquisitions and disposals of assets and companies, financial restructuring, corporate strategy, share issuances, dividends, reviewing Management performance, setting company's values and standards, establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets, ensuring that obligations to shareholders and other stakeholders are understood and met, and considering sustainability issues.

The Board has delegated specific responsibilities to three committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). These Board Committees have the authority to examine and report to the Board on their decisions and/or recommendations made on particular issues but the ultimate responsibility and decision on all matters lies on the entire Board.

The Board conducts a series of scheduled meetings throughout the financial year. Ad-hoc meetings are convened whenever circumstances require. The Company's Constitution allows a Board Meeting to be conducted by way of telephonic and video-conference or any other electronic means of communication.

I. BOARD MATTERS (cont'd)

As at the date of this report, the attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, held are summarised in the table below:

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held#	No. of meetings attended	No. of meetings held#	No. of meetings attended	No. of meetings held#	No. of meetings attended	No. of meetings held#	No. of meetings attended
Lyn Hian Woon[1]	2	2	1*	1*	1*	1*	1*	1*
Wan Jinn Woei[2]	6	6	3*	3*	2*	2*	2*	2*
Yong Chor Ken[3]	7	7	3*	3*	2	2	2*	2*
Poh Wee Chiow, Roger[4]	7	7	3	3	2	2	2	2
Chen Yeow Sin[5]	7	7	3	3	2	2	2	2
Pok Mee Yau[6]	4	4	2	2	1	1	1	1

Notes:

No. of meetings held whilst a member.
* By invitation.
1 Mr Lyn Hian Woon was appointed as a Director of the Company at the extraordinary general meeting (the "**EGM**") held on 30 June 2016. He was designated as Executive Chairman and Chief Executive Officer ("**CEO**") of the Company on 7 July 2016. Mr Lyn Hian Woon subsequently resigned as Executive Director and CEO on 23 August 2016.
2 Mr Wan Jinn Woei was appointed as Non-Executive Chairman of the Company on 17 August 2016. He was re-designated as Executive Chairman and CEO on 23 August 2016.
3 Mr Yong Chor Ken was appointed as a Director of the Company at the EGM held on 30 June 2016. He was designated as Non-Executive and Non-Independent Director and a member of AC, NC and RC on 7 July 2016. Mr Yong Chor Ken was subsequently re-designated as Executive Director on 1 January 2017. Following his re-designation, he ceased as a member of the AC and the RC respectively and remained as a member of the NC. Mr Yong Chor Ken subsequently ceased as a member of the NC on 25 August 2017.
4 Mr Poh Wee Chiow, Roger was appointed as a Director of the Company at the EGM held on 30 June 2016. He was designated as Independent Director, Chairman of NC and RC, and a member of AC on 7 July 2016. Mr Poh Wee Chiow, Roger subsequently relinquished his role as the Chairman of the RC and remained as a member of the RC on 25 August 2017.
5 Mr Chen Yeow Sin was appointed as a Director of the Company at the EGM held on 30 June 2016. He was designated as Independent Director, Chairman of AC and a member of NC and RC on 7 July 2016. Mr Chen Yeow Sin was subsequently appointed as Lead Independent Director on 23 August 2016.
6 Ms Pok Mee Yau was appointed as an Independent Director of the Company and a member of AC, NC and RC on 28 February 2017. Ms Pok Mee Yau was subsequently appointed as the Chairman of the RC on 25 August 2017.

The Board is familiar with the Group's business and governance practices and has been briefed on their responsibilities as Directors of a listed company. To keep abreast with developments in corporate, financial, legal and other compliance requirements, Directors are encouraged to attend relevant training courses, particularly on relevant new laws, regulations and changing commercial risks, from time to time, arranged and funded by the Company. Any updates on relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts. To this effect, Mr Yong Chor Ken, Mr Poh Wee Chiow, Roger and Mr Chen Yeow Sin attended the training under the ACRA-SGX-SID Audit Committee Seminar held on 13 January 2017.

During FY2017, the AC is kept abreast, during the AC meetings, by the Management and the external auditors of changes to accounting standards, Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**") of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

Incoming Directors, when appointed, will receive a comprehensive and tailored induction on joining the Board. They will undergo an orientation that includes a briefing by Management on the Group's structure, business, operations and policies, as well as their duties as a director and how they are to discharge those duties. First-time Directors of listed companies in Singapore will be encouraged to attend relevant training seminars and courses organised by the Accounting and Corporate Regulatory Authority of Singapore, SGX-ST and the Singapore Institute of Directors ("**SID**"). To this effect, Mr Wan Jinn Woei and Mr Poh Wee Chiow, Roger had attended the training under the SID LCD Program held on 6 October 2016.

Newly appointed Directors had been and will be provided with a formal letter setting out their duties and obligations.

I. BOARD MATTERS (cont'd)

Board Composition and Guidance

Principle 2: Strong and independent element on the Board

The Board comprises five Directors, two of whom are Executive Directors and three of whom are Independent Non-Executive Directors:

Executive Directors:

Wan Jinn Woei	–	Executive Chairman and CEO *(Appointed as Non-Executive Chairman on 17 August 2016 and re-designated from Non-Executive Chairman to Executive Chairman and CEO on 23 August 2016)*
Yong Chor Ken	–	Executive Director *(Re-designated from Non-Executive Director to Executive Director on 1 January 2017)*

Non-Executive Directors:

Chen Yeow Sin	–	Lead Independent Director
Poh Wee Chiow, Roger	–	Independent Director
Pok Mee Yau	–	Independent Director *(Appointed on 28 February 2017)*

On an annual basis, each Independent Director is required to complete a "Confirmation of Independence" form to confirm his/her independence. The said form, which was drawn up based on the definitions and guidelines set forth in Guideline 2.3 of the Code and the Guidebook for Audit Committees in Singapore issued by the Audit Committee Guidance Committee, requires each Director to assess whether he/she considers himself/herself independent despite not having any of the relationships identified in the Code. The criterion of independence is based on the definition given by the Code, which stipulates that an Independent Director is one who has no relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere or be reasonably perceived to interfere with the exercise of the Directors' independent business judgment with a view to the best interests of the Company, in the conduct of the Company's affairs.

The NC has reviewed the forms completed by each Independent Director and confirmed that more than half of the Board comprises of Independent Directors. The Board, having taken into account the views of the NC and having considered whether the Director in question is independent in character and judgment and whether there are any relationships or circumstances which are likely to affect or could appear to affect the said Directors' judgment, is of the view that all its Independent Directors are independent for the purposes of the Code. As such, given that the Chairman of the Board and the CEO is the same person, the Company is in compliance with Guideline 2.2 of the Code since its Independent Directors make up at least half of the Board.

As a Group, the Directors bring with them a broad range of diverse skills, industry knowledge, expertise and experience in areas such as accounting, finance, business and management, strategic planning and customer service, which are relevant to the direction of an expanding group. The current Board composition provides a diversity of skills, experience, and knowledge to the Company as follows:

Balance and Diversity of the Board	Number of Directors	Proportion of Board
Core Competencies		
– Accounting or finance	2	40
– Business management	5	100
– Legal or corporate governance	3	60
– Relevant industry knowledge or experience	1	20
– Strategic planning experience	5	100
– Customer based experience or knowledge	3	60

I. BOARD MATTERS (cont'd)

The NC is of the view that the current Board comprises persons who as a Group, provide capabilities required for the Board to be effective.

The Board's policy in identifying potential Directors is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

The Board has reviewed the size of the Board, and is of the view that, after taking into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the present Board size is considered appropriate for the current scope and nature of the Group's operations and facilitates effective decision making. The Board size is not too large as to be unwieldy and no individual or group is able to dominate the Board's decision-making process.

The Non-Executive Directors will constructively challenge and help to develop proposals on strategy and review the performance of Management in meeting the agreed goals and objectives, and monitor the reporting of Company's performance. To facilitate a more effective check on Management, Non-Executive Directors and Independent Directors are encouraged to meet regularly without the presence of Management. In FY2017, the Non-Executive and Independent Directors have met at least once without the presence of Management.

None of the Independent Directors has served on the Board beyond nine years from the date of his/her appointment.

Chairman and CEO

Principle 3: Clear division of responsibilities and balance of power and authority

The Chairman and CEO of the Company is Wan Jinn Woei.

The role of the Chairman and CEO should principally be separated to maintain an appropriate balance of power, increased accountability and to facilitate independent decision making by the Board. However, the Board is of the view that the existing leadership arrangement is effective as it does not hinder the decision-making process of the Company unnecessarily.

As the CEO, Mr Wan Jinn Woei establishes the direction and strategic development of the Group and play an instrumental role in the overall management of the Group's existing core business of property investment and property development.

As the Executive Chairman, Mr Wan Jinn Woei leads the Board to ensure its effectiveness on all aspects of its role as well as formulation and implementation of strategies to improve overall corporate performance and to lead corporate planning to further the Company's goals. He ensures that Board meetings are held half-yearly and as and when necessary, sets Board meeting agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues and promotes a culture of openness and debate at the Board. As the Executive Chairman, he also ensures that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognizant of the affairs of the Group as well as ensuring effective communication with shareholders. To facilitate the effective contribution of Non-Executive Directors, he will encourage constructive relations within the Board and between the Board and the Management. He also takes a leading role in ensuring the Company strives to achieve and maintain high standards of corporate governance.

I. BOARD MATTERS (cont'd)

Although the roles and responsibilities of the Executive Chairman and CEO are vested in Mr Wan Jinn Woei, major decisions are made in consultation with the Board, where half of which comprises Independent Directors. The Board is of the opinion that the process of decision making by the Board has been independent and has been based on collective decisions without any individual or small group of individuals dominating the Board's decision making.

In line with Guideline 3.3 of the Code, Mr Chen Yeow Sin was appointed as the Lead Independent Director on 23 August 2016. The Lead Independent Director leads and coordinates the activities of the Independent Directors and serve as a principal liaison on Board issues between the Independent Directors and the Chairman of the Board. The Lead Independent Director is available to shareholders where they have concerns and for which contact through the normal channels of the Executive Chairman and CEO or the Chief Financial Officer ("**CFO**") has failed to resolve or is inappropriate.

Led by the Lead Independent Director, the Independent Directors met at least once to discuss the Company's matters without the presence of Management and the Lead Independent Director has provided feedback, if any, to the Chairman after such meetings.

Board Membership

Principle 4: Formal and transparent process for the appointment and re-appointment of Directors to the Board

As at the date of this report, the NC comprises three members, all of whom, including the NC Chairman, are Independent Non-Executive Directors:

Poh Wee Chiow, Roger	Chairman	(Independent Director)
Chen Yeow Sin	Member	(Lead Independent Director)
Pok Mee Yau	Member	(Independent Director)

The Chairman of the NC is an Independent Director who is not a substantial shareholder nor directly associated with a substantial shareholder.

The NC is guided by its terms of reference that sets out its responsibilities. Some of these responsibilities include:

- to recommend to the Board on the appointment and re-appointment of Directors, after having considered the composition and the need of progressive renewal of the Board and each Directors' competencies, commitment, contribution and performance;
- to review annually the independence of each Director, and ensure that the Independent Directors comprises at least half of the Board while bearing in mind Guideline 2.2 of the Code;
- to review the Board succession plans for Directors, in particular, the Chairman and for the CEO;
- to review the training and professional development programs for the Board;
- to decide, where a Director has multiple board representation, whether the Director is able to and has been adequately carrying out his duties as Director of the Company;
- to decide how the Board's performance may be evaluated and propose objective performance criteria to assess effectiveness of the Board; and
- to assess the performance of the Board as a whole, as well as the contribution of each Director to the effectiveness of the Board.

In its search, nominating and selection process for new directors, the NC will identify the key attributes that an incoming director should have, based on a matrix of attributes of the existing Board and the requirements of the Company. The NC taps on the resources of Directors' personal contacts and recommendations of potential candidates, and goes through a short listing process. The NC will then nominate the most suitable candidate for appointment to the Board for approval.

In its deliberations on the re-nomination of existing Directors, the NC takes into consideration the individual Director's contribution and performance (including, if applicable, his/her contribution and performance as an Independent Director). The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees.

I. BOARD MATTERS (cont'd)

In accordance with Article 117 of the Company's Constitution, one-third of the Directors shall retire from office by rotation at each Annual General Meeting ("**AGM**"). In addition, Article 118 provides that the Directors to retire in every year shall be those subject to retirement by rotation who have been longest in office since their last re-election or appointment and that the retiring Directors are eligible to offer themselves for re-election and Article 122 provides that all newly appointed Directors shall hold office only until the next AGM and are eligible to offer themselves for re-election.

The Chairman and CEO, as a Director, is subject to the same retirement by rotation provisions as the other Directors and such provisions will not be subject to any contractual terms that he/she may have entered into with the Company. Each member of the NC shall abstain from voting on any resolutions in respect to his/her re-nomination as a Director.

Save for Mr Wan Jinn Woei and Ms Pok Mee Yau, the existing Board was appointed by shareholders at the EGM held on 30 June 2016 to replace the previous Board. Pursuant to Article 118 of the Company's Constitution, each Director would be subject to retirement by rotation at the same time as if he/she had become a Director on the date in whose place he/she was appointed was last elected as a Director.

In this respect, the Board has accepted the NC's nomination of Mr Chen Yeow Sin and Mr Poh Wee Chiow, Roger, who would be retiring by rotation under Article 117 of the Company's Constitution at the forthcoming Annual General Meeting ("**AGM**"). Mr Chen Yeow Sin will, upon re-election as a Director, remain as Lead Independent Director, Chairman of the AC and a member of the NC and RC. Mr Poh Wee Chiow, Roger will, upon re-election as a Director, remain as Independent Director, Chairman of the NC and member of the AC and the RC respectively.

Mr Chen Yeow Sin and Mr Poh Wee Chiow, Roger, being members of NC, had abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their own contributions or re-election as Directors.

Ms Pok Mee Yau, being a Director appointed to the Board on 28 February 2017, would retire pursuant to Article 122 of the Company's Constitution at the forthcoming AGM of the Company. Ms Pok Mee Yau has given her consent for re-election and the Board has also accepted the NC's nomination of the retiring Director, Ms Pok Mee Yau. Ms Pok Mee Yau will, upon re-election as a Director, remain as Independent Director, Chairman of the RC and member of the AC and the NC respectively.

The NC is also responsible for determining annually, the independence of Directors. In doing so, the NC takes into account the circumstances set forth in Guidelines 2.3 and 2.4 of the Code and any other salient factors. The Independent Directors, namely Mr Chen Yeow Sin, Mr Poh Wee Chiow, Roger and Ms Pok Mee Yau, have confirmed that they do not have any relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company. The NC has reviewed and determined that the said Directors are independent.

The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple board representations and other principal commitments. It was noted that only three Directors, being Mr Yong Chor Ken, Mr Chen Yeow Sin and Ms Pok Mee Yau hold directorships in other listed companies of which Mr Yong Chor Ken and Mr Chen Yeow Sin hold not more than one such other directorship and Ms Pok Mee Yau holds not more than two such other directorships. As such, the NC is of the view that there is presently no need to implement internal guidelines to address their competing time commitments and fix the maximum number of listed company directorships a Director should hold. The Board concurs with the view of the NC. The NC and the Board would review from time to time the board representations and other principal commitments of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately. The NC and the Board would also review from time to time if there is a need to set a maximum number of listed company directorships a director should hold. The considerations in assessing the capacity of Directors would include the following:

- Expected and/or competing time commitments of Directors;
- Geographical location of Directors;
- Size and composition of the Board; and
- Nature and scope of the Group's operations and size.

Currently, the Company does not have alternate Directors on the Board.

I. BOARD MATTERS (cont'd)

Key information regarding the Directors is set out below:

Name of Director	Date of First Appointment	Date of Last Re-election	Relationship with Directors, the Company or Substantial Shareholders	Directorships and/or Chairmanships both present and those held over the preceding three years in other Listed Companies	Other Principal Commitments
Wan Jinn Woei	17 August 2016	26 October 2016	Nil	Present Nil Preceding 3 years Nil	Director of Third Rose Asia Sdn Bhd
Yong Chor Ken	30 June 2016	26 October 2016	Nil	Present OLS Enterprise Limited Preceding 3 years Sincap Group Limited	Director of Alternative Advisors Pte. Ltd. and Alternative Advisors Investment Pte. Ltd.
Chen Yeow Sin	30 June 2016	Not applicable	Nil	Present Healthway Medical Corporation Limited Preceding 3 years Nil	Managing Director of One Partnership, Public Accounting Corporation
Poh Wee Chiow, Roger	30 June 2016	Not applicable	Nil	Present Nil Preceding 3 years Nil	Managing Director of RHT Communication & Investor Relations Pte. Ltd.
Pok Mee Yau	28 February 2017	Not applicable	Nil	Present ecoWise Holdings Limited Zheng Li Holdings Limited Preceding 3 years Transcorp Holdings Limited	Partner of JLC Advisors LLP

The profile and relevant information of the members of the Board are set out on pages 8 to 9 of the Annual Report. The Directors' interests in shares are as disclosed on page 33 of the Statement by Directors.

I. BOARD MATTERS (cont'd)

Board Performance

Principle 5: Formal annual assessment of the effectiveness of the Board as a whole and the contributions by each Director to the effectiveness of the Board

The Board has implemented a collective questionnaire assessment process for assessing its effectiveness as a whole. The collective assessment process will comprise a questionnaire (covering areas such as the size and composition of the Board, the Board's access to information, the Board's process and accountability, communications with Senior Management, the Directors' standard of conduct and the effectiveness of the Board in its monitoring role and the attainment of the strategic and long term objectives set by the Board, including the enhancement of shareholders' value) which is to be completed by each Director individually. The results and conclusions will be presented to the Board by the NC and an action plan will be drawn up to address any areas for improvement.

The Board has established an evaluation criteria based on established criteria set by the boards of other listed companies. The evaluation criteria allow for comparison with industry peers and will not be changed from year to year but only where circumstances deem it necessary for any criteria to be changed. If such a change should occur, the Board will justify such decision.

The assessment of individual Directors will be carried out jointly by the Board and the assessment parameters for such individual evaluation will include attendance and contributions during Board meetings as well as commitment to their role as Directors. The Chairman of the Board would act on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of directors, in consultation with the NC.

Access to information

Principle 6: Board members should be provided with complete, adequate and timely information

All Directors receive a set of Board and Board Committees papers prior to the Board and Board Committees meetings. This is generally provided to them in a timely manner prior to the meetings so that there is sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly and prepare for the meetings. Directors are entitled to request from Management and should be provided with such additional information as needed to make informed decisions, and Management shall provide the same in a timely manner. The Board papers include the following documents and details:

- Background or explanations on matters brought before the Board for decision or information, including issues being dealt with by Management, and relevant financial statements, budgets (including any material variances between projections and actual results and the accompanying explanations), forecasts and projections;
- Minutes of the previous Board meetings; and
- Minutes of meetings of all Board Committees held since the previous Board Committee meetings.

The Directors have separate and independent access to the Management, the CFO and other key management personnel, as well as the Company's external auditors.

I. BOARD MATTERS (cont'd)

All Directors have separate and independent access to the advice and services of the Company Secretary. The Company Secretary and/or her representatives attend all meetings of the Board and Board Committees, and ensure that Board procedures are followed and that applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary is responsible for ensuring good information flow within the Board and its Board Committees and between Management and Non-Executive Directors, as well as facilitating orientation and assisting with professional development as required.

The Board may take independent professional advice, where necessary in the furtherance of their duties, at the Company's expense.

Under the Constitution of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

II. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: Formal and transparent procedure for development policy on executive remuneration and for fixing the remuneration packages of individual Directors

As at the date of this report, the RC comprises three members, all of whom, including the RC Chairman, are Independent Non-Executive Directors:

Pok Mee Yau	Chairman	(Independent Director)
Chen Yeow Sin	Member	(Lead Independent Director)
Poh Wee Chiow, Roger	Member	(Independent Director)

The RC is regulated by a set of written terms of reference. Its principal responsibilities are:

(a) To review and submit its recommendations for endorsement by the entire Board, a general framework of remuneration for the Board and key management personnel and the specific remuneration packages and terms of employment (where applicable) for each Director and key management personnel including but not limited to senior executives / divisional directors / those reporting directly to the Managing Director / Chairman / CEO / employees related to the Executive Directors and Controlling Shareholders of the Group and any other employees who are related to the Controlling Shareholders.

(b) To carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.

(c) To ensure that all aspect of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, share based incentives and awards, and benefits-in-kind are covered.

(d) To review and approve the policy for authorising claims for expenses incurred by the CEO and the Chairman of the Board.

II. REMUNERATION MATTERS (cont'd)

(e) As part of its review, the RC shall take into consideration:

(i) that the remuneration packages should be comparable with the industry and in comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual Directors and key management personnel's performance. A significant proportion of Executive Directors and key management personnel's remuneration should be structured so as to link rewards to corporate and individual performance. It should take account of the risk policies of the Company, be symmetric with risk outcomes and be sensitive to time horizon of risks.

(ii) the remuneration packages for Non-Executive Directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, responsibilities of Directors. Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised.

(iii) that the remuneration packages of employees related to Executive Directors and Controlling Shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility.

(iv) the Company's obligation arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

(v) the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company.

(vi) the RC should aim to be fair and avoid rewarding poor performance.

(vii) Principle 8 and Guidelines 8.1 and 8.4 of the Code.

The RC recommends to the Board for endorsement, a framework of remuneration for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate senior management to run the Company successfully in order to maximise shareholder value. The framework covers all aspects of executive remuneration (including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind). There is a formal and transparent procedure for fixing the remuneration packages of the Directors. No individual Director is involved in deciding his/her own remuneration. Independent Directors are paid annual Directors' fees every quarter in arrears on a standard fee basis.

While none of the members of the RC specialises in the field of executive remuneration, they do possess general knowledge in this area and will seek external professional advice in relation to such remuneration matters, at the expense of the Company, if necessary.

The Company did not engage any remuneration consultants during FY2017.

The RC reviews the terms and conditions of service agreement of the Executive Directors before their execution. In the course of such review, the RC will consider the Group's obligations arising in the event of termination of Executive Directors and key management personnel, to ensure that the service agreements contain fair and reasonable termination clauses and are not overly generous so as to avoid rewarding poor performance.

II. REMUNERATION MATTERS (cont'd)

The service agreements entered into between the Company and Mr Wan Jinn Woei, Executive Chairman and CEO of the Company, and Mr Yong Chor Ken, Executive Director of the Company, are for an initial period of three years with effect from 23 August 2016 and 1 January 2017 respectively and will automatically be renewed for a further term of three years unless otherwise terminated by either party giving not less than six months' notice in writing to the other in accordance with the terms of the said agreements. The service agreement entered into between the Company and Mr Tan Keng Keat, CFO of the Company, is for an initial period of two years with effect from 1 September 2016 and will automatically be renewed for a further term of two years unless otherwise terminated by either party giving not less than three months' notice in writing to the other in accordance with the terms of the said agreement.

Level and Mix of Remuneration

Principle 8: Level of remuneration of Directors should be appropriate but not excessive

In setting remuneration packages for the Executive Directors and key management personnel of the Company, the pay and employment conditions within the industry and in comparable companies, the Group's relative performance, the risk policies of the Company, the time horizons of such risk and the performance of individual Executive Directors and key management personnel, are taken into account to maintain an appropriate and competitive level of remuneration that is symmetric with the risk outcomes and at the same time attract, retain and motivate the Directors and key management personnel. The Executive Directors do not receive any Directors' fees. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary and fixed allowance. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

The performance-related elements of remuneration are designed to align interests of Executive Directors and key management personnel with those of shareholders and link rewards to corporate and individual performance and promote the long-term success of the Company. The Company is generally encouraged to grant the long-term incentive schemes to Executive Directors and key management personnel.

At present, the Company does not have plans for either the implementation of an Employee Share Option Scheme ("**ESOS**") or a Performance Share Plan ("**PSP**"). As the Company is in a transitional stage with the acquisition of new assets, new performance criteria will need to be established for the Executive Directors and key management personnel of the Company. Notwithstanding, the RC believes in aligning the interest of Executive Directors and key management personnel with those of shareholders and plans to discuss the establishment of ESOS and PSP in the coming year.

The remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of Directors. Non-Executive Directors will not be over-compensated to the extent that their independence may be compromised.

The RC has recommended to the Board an amount of S$221,000 as Directors' fees for the financial year ending 30 June 2018, to be paid quarterly in arrears. The aforementioned recommendations will be tabled for shareholders' approval at the forthcoming AGM of the Company as separate and distinct resolutions.

No Director is involved in deciding his/her own remuneration.

The RC may recommend the Company to consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Disclosure on Remuneration

Principle 9: Clear disclosure of remuneration policy, level and mix of remuneration, and procedure for setting remuneration

The Board has not included a separate annual remuneration report to shareholders in the annual report on the remuneration of Directors and the top five key management personnel (who are not Directors or the CEO of the Company) as the Board is of the view that the matters which are required to be disclosed in such annual remuneration report have already been sufficiently disclosed in this annual report and in the financial statements of the Company.

II. REMUNERATION MATTERS (cont'd)

The exact dollar remuneration figure of each individual Director and key management personnel of the Company is however not disclosed as the Company believes that disclosure may be prejudicial to its business interests given the highly competitive environment it is operating in. Additionally, the Company has experienced turnover in Directors during FY2017 and the disclosure of remuneration does not give a meaningful picture to shareholders. The RC has reviewed the practice of the industry in this regard, weighing the advantages and disadvantages of such disclosure.

A breakdown of the level and mix of the remuneration payable to each individual Director for FY2017 is as follows:

Name of Director	Remuneration Band	Director's Fees[7] (%)	Salary Remuneration[8] (%)	Performance Based Bonus (%)	Other Benefits (%)	Total (%)
Lyn Hian Woon[1]	<$250,000	–	21	–	79	100
Wan Jinn Woei[2]	<$250,000	–	100	–	–	100
Yong Chor Ken[3]	<$250,000	14	80	–	6	100
Poh Wee Chiow, Roger[4]	<$250,000	100	–	–	–	100
Chen Yeow Sin[5]	<$250,000	100	–	–	–	100
Pok Mee Yau[6]	<$250,000	100	–	–	–	100

Notes:

1 Mr Lyn Hian Woon was appointed as a Director of the Company at the EGM held on 30 June 2016. He was designated as Executive Chairman and CEO of the Company on 7 July 2016. Mr Lyn Hian Woon subsequently resigned as Executive Director and CEO on 23 August 2016.

2 Mr Wan Jinn Woei was appointed as Non-Executive Chairman of the Company on 17 August 2016. He was re-designated as Executive Chairman and CEO on 23 August 2016.

3 Mr Yong Chor Ken was appointed as a Director of the Company at the EGM held on 30 June 2016. He was designated as Non-Executive and Non-Independent Director and a member of AC, NC and RC on 7 July 2016. Mr Yong Chor Ken was subsequently re-designated as Executive Director on 1 January 2017. Following his re-designation, he ceased as a member of the AC and the RC respectively and remained as a member of the NC. Mr Yong Chor Ken subsequently ceased as a member of the NC on 25 August 2017.

4 Mr Poh Wee Chiow, Roger was appointed as a Director of the Company at the EGM held on 30 June 2016. He was designated as Independent Director, Chairman of NC and RC and a member of AC on 7 July 2016. Mr Poh Wee Chiow, Roger subsequently relinquished his role as the Chairman of the RC but remained as a member of the RC on 25 August 2017.

5 Mr Chen Yeow Sin was appointed as a Director of the Company at the EGM held on 30 June 2016. He was designated as Independent Director, Chairman of AC and a member of NC and RC on 7 July 2016. Mr Chen Yeow Sin was subsequently appointed as Lead Independent Director on 23 August 2016.

6 Ms Pok Mee Yau was appointed as Independent Director and a member of AC, NC and RC with effect from 28 February 2017. She was subsequently appointed as the Chairman of the RC on 25 August 2017.

7 The Directors' fees were approved by shareholders at the last AGM held on 26 October 2016.

Disclosure on Key Management Personnel's Remuneration

The following table shows a breakdown (in percentage terms) of the key management personnel remuneration (in bands of S$250,000) who are not directors or the CEO for FY2017:

Name of key management personnel	Remuneration Band	Salary[3] (%)	Bonus[3] (%)	Other Benefits (%)	Total (%)
Koh Chai Nyuk[1]	<S$250,000	63	19	18	100
Tan Keng Keat[2]	<S$250,000	96	–	4	100

Notes:

1 Resigned as the CFO of the Company on 13 October 2016.

2 Appointed as the CFO of the Company on 1 September 2016.

3 The salary and bonus are inclusive of CPF.

II. REMUNERATION MATTERS (cont'd)

The remuneration of the key management personnel for FY2017 falls below S$250,000. The Company believes that the disclosure in bands of S$250,000 provides sufficient overview of the remuneration of the key management personnel. For competitive reasons and confidentiality of staff remuneration, the Board believes it is unwise to disclose the breakdown in dollar terms and aggregate amount of the remuneration paid to the key management personnel.

None of the Directors (including the CEO) and the key management personnel (who are not Directors or the CEO) of the Company has received any termination, retirement and post-employment benefits for FY2017, except for a termination payout of S$48,000 granted to Mr Lyn Hian Woon for early termination.

There is no employee of the Group who was an immediate family member of any of the Directors and/or the CEO whose remuneration exceeded S$50,000 for FY2017. Based on the Catalist Rules, "Immediate family" in relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent.

No remuneration or compensation was paid or is to be paid in the form of share options, since the Company does not currently have any plan to implement share option or share incentive plans. However this does not rule out the possibility of the Company doing so in the future.

The Executive Directors does not receive any Directors' fee. The Company advocates a performance-based remuneration system for Executive Directors and key management personnel that is flexible and responsive to the market, comprising a base salary and other fixed allowances, as well as variable performance bonus which is based on the Group's performance and the individual's performance such as management skills, process skills, people skills and business planning skills. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

III. ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: Presentation of a balanced and understandable assessment of the Company's performance, position and prospects

The Board is accountable to the shareholders and provides the shareholders with a detailed and balanced explanation and analysis of the Group's performance, position and prospects on a half-yearly basis via SGXNET. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

The Board takes steps to ensure compliance with legislative and regulatory requirements with all of the Group's operational practices and procedures and relevant regulatory requirements under the Catalist Rules, where appropriate. The Independent Directors will also obtain advice from Management when establishing written policies for any particular matter that is deemed to be essential to form part of management control.

Management is accountable to the Board and presents financial statements/management accounts and its accompanying explanations of the Group's performance, position and prospects to the AC and the Board for review and/or approval on a quarterly basis or as the Board may require from time to time to enable the Board to make a balanced and informed assessments of the Company's performance, position and prospects. In FY2017, the operations of the Company comprised of investments in Japan. On 20 January 2017, an EGM was convened where the approval of the shareholders of the Company was obtained to divest the current Japanese properties held by the Group. Management was focused on the divestment of the Japanese properties while concurrently sourcing for new investments, hence a quarterly basis of presenting the management accounts for the investments in Japan was adopted.

III. ACCOUNTABILITY AND AUDIT (cont'd)

Risk Management and Internal Controls

Principle 11: Sound system of risk management and internal controls

The Board recognises the importance of a sound system of internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for determining the Group's level of risk tolerance, and ensuring that the Group's systems of internal controls and risk management policies are in place. The Board oversees Management in the design, implementation and monitoring of the internal controls and risk management policies and reviews the adequacy and integrity of those systems (including financial, operational, compliance and information technology controls) on an annual basis. It should however, be noted that such systems are designed to manage rather than to eliminate the risk of failure. Accordingly, the systems can provide only reasonable, and not absolute assurance against occurrence of material errors, poor judgement in decision-making, losses resulting from human error, fraud and non-compliance with all relevant legislation or other irregularities.

In FY2017, the Company has been focusing on the divestment of its property investments in Japan and exploring other investment opportunities. The Company, through two asset managers in Japan, manages the Company's properties in Japan. The asset managers each adopted their own code of conduct and business ethics which they comply with at all times as part of their corporate governance. They provide property management report and accounting report to the Company on a monthly basis. In addition, rental income received by the Company is subject to independent checks by several independent parties in Japan which are regulated by the Financial Services Agency in Japan. In this respect, the AC is of the view that the existing internal checks conducted by several independent parties in relation to the Company's properties in Japan are adequate and effective. The AC has considered the effectiveness of the Group's internal control system in the light of key business and financial risks affecting its business.

The Board has received assurances (the "**Assurances**") from Mr Wan Jinn Woei, the Executive Chairman and CEO and Mr Tan Keng Keat, the CFO of the Company, in respect of FY2017 that:

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

(b) the system of risk management and internal control in place within the Group (including financial, operational, compliance and information technology) are sufficiently adequate and effective in addressing the material risks in the Group in its current business environment.

Based on the internal controls established and maintained by the Group, work performed by the external auditors in the course of their statutory audit, reports issued by asset managers on monthly basis, internal checks conducted by the several independent parties in Japan over the rental income received from the Company's properties in Japan, Assurances received from the CEO and the CFO and reviews performed by Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the systems of internal controls established addressing the financial, operational, compliance and information technology risks, and risk management systems of the Group are adequate and effective for FY2017 for the type and volume of business that the Group currently operates in.

The Company does not currently have a risk management committee. However, Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

The Company has appointed Messrs BDO LLP as its internal auditors to perform the internal audit functions of the Group including the review and test of controls of its processes.

III. ACCOUNTABILITY AND AUDIT (cont'd)

Audit Committee

Principle 12: Establishment of Audit Committee with written terms of reference

As at the date of this report, the AC comprises the following three members, all of whom, including the AC Chairman, are Independent Non-Executive Directors:

Chen Yeow Sin	Chairman	(Lead Independent Director)
Poh Wee Chiow, Roger	Member	(Independent Director)
Pok Mee Yau	Member	(Independent Director)

None of the members of the AC were previous partners or directors of the Company's existing auditing firm within the previous twelve months or hold any financial interest in the auditing firm.

The Board is of the opinion that the majority of members of the AC are appropriately qualified to discharge their responsibilities and have recent and relevant accounting, financial management and/or legal related expertise and experience.

The AC has adopted a written terms of reference endorsed by the Board, setting out its duties and responsibilities. The AC is authorised by the Board to investigate any matter within its terms of reference and has full access to, and cooperation of Management, with full discretion to invite any Director or key management personnel to attend its meetings. It has reasonable resources to enable it to discharge its functions properly. During the meetings of the AC held during the financial year, the AC performed its functions and responsibilities as set out in its terms of reference, which include the following:

- Reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors on an annual basis;
- Reviewing the nature and extent of the external auditors' non-audit services to the Group, seeking to balance the maintenance of objectivity and value for money;
- Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
- Reviewing the adequacy of the Group's internal controls including financial, operational, compliance and information technology risk, and risk management systems of the Group (hereinafter referred to collectively as "**internal controls**") at least annually;
- Reviewing the adequacy and effectiveness of the Group's internal audit function, where applicable;
- Making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- Reviewing the external auditors' audit plan, audit report and the external auditors' evaluation of the system of internal accounting controls with the external auditors, as well as the assistance given by Management to the external auditors; and
- Reviewing the half-yearly and full-year financial reports of the Group, prior to their submission to the Board.

The AC met three times during FY2017 to review the audit plan/report, the audit findings, the reports on interested persons transactions ("**IPTs**"), the reports on internal audit activities for the year (including updates on the findings in relation thereto) and the announcements of the half-year and full-year financial results before being approved by the Board for release on the SGX-ST via SGXNET.

The AC has full access to and the co-operation of Management and reasonable resources to enable it to discharge its functions properly. The AC meetings are held with the external auditors and by invitation, any Director and representatives from Management. The AC also meets with the external auditors, Messrs RSM Chio Lim LLP, without the presence of Management, at least annually, to discuss any problems and concerns they may have.

The AC has met with the external auditors without the presence of the Company's Management in FY2017.

III. ACCOUNTABILITY AND AUDIT (cont'd)

The AC has conducted an annual review of the volume and nature of all non-audit services of the Group provided by the external auditors, Messrs RSM Chio Lim LLP, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, is pleased to recommend to the Board that Messrs RSM Chio Lim LLP be nominated for re-appointment as external auditors of the Company at the forthcoming AGM of the Company.

The amount of fees payable to Messrs RSM Chio Lim LLP for FY2017 amounted to S$54,000 for audit services and S$3,500 for non-audit services.

The Company's external auditors are a firm of Chartered Accountants in Singapore registered with the Accounting and Corporate Regulatory Authority. The Company's external auditors are engaged to audit the financial statements of the Company and its Singapore-incorporated subsidiary. The Company has engaged a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies where necessary. Accordingly, the Company complies with the requirements of Rules 712 and 715 of the Catalist Rules of the SGX-ST.

The AC members take measures to keep abreast of changes of accounting standards and issues which have a direct impact on financial statements through attending training and seminars as well as receiving updates from the Group's external auditors.

In the review of the financial statements for FY2017, the AC had discussed with Management the accounting principles that were applied and their judgement of matters that might affect the integrity of the financial statements and also considered the appropriateness of the critical accounting estimates and judgements made in preparing the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditor and were reviewed by the AC:

Key Audit Matters	How the AC reviewed these matters and what decisions were made
Measurement of investment properties classified as assets held for sale	The AC considered the approach and methodology applied by the independent professional valuers in the measurement of investment properties classified as assets held for sale. The AC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties. The AC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted and disclosed in the financial statements. The measurement of investment properties classified as assets held for sale was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in its audit report for FY2017 on page 36 of this Annual Report.

III. ACCOUNTABILITY AND AUDIT (cont'd)

Management has put in place, with the AC's endorsement, arrangements by which staff of the Group may, in confidence, contact the independent Company Secretary, allowing any staff to raise concerns about possible improprieties in matters of financial reporting or other matters. The Company has also extended the whistle-blowing policy to external parties via the Company's website where the email addresses of the Chairman of the AC and the Company Secretary are available for the raising of potential concerns under the Whistle-blowing Policy. The objective for such arrangements is to ensure independent investigation of matters raised and to allow appropriate actions to be taken. There were no whistle-blowing letters received during FY2017 and up to the date of this report.

Internal Audit

Principle 13: Effective and independent internal audit function

The Board recognises the importance of maintaining a system of internal controls, procedures and processes for the Group to safeguard the shareholders' investments and the Group's assets.

As the size of the current operations of the Company does not warrant the Company to have an in-house internal audit function, the Company has outsourced its internal audit function to an external independent accounting firm, BDO LLP, who reports directly to the AC Chairman, as well as to the CEO for administrative matters.

The AC is satisfied that the appointed internal auditors are adequately qualified (given, *inter alia*, its adherence to standards such as the Standards for the Professional Practices of Internal Auditing set by The Institute of Internal Auditors) and resourced, and has the appropriate standing in the Company to discharge its duties effectively (given, *inter alia*, involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC).

The AC reviews and approves the internal audit plan on an annual basis, to ensure the adequacy of the scope of audit. The AC also reviews the needs of the internal audit function on a regular basis, including overseeing and monitoring the implementation of the improvements required for various internal control weaknesses identified by Management and the external auditors.

IV. SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholders' Rights

Principle 15: Communication with Shareholders

Principle 16: Conduct of Shareholder Meetings

The Board recognises that it is accountable to shareholders for the Group's performance, believes in transparency and strives towards timeliness in the dissemination of material information to the Company's shareholders and the public. The information, including a review of the Group's performance and prospects in the quarterly and full-year results announcements, is disseminated to shareholders through the SGXNET.

The Company encourages shareholders' participation during the general meetings. Shareholders are able to engage the Board and Management on the Group's business activities, financial performance and other business-related matters during the general meetings. Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures.

All shareholders are entitled to attend and vote at general meetings in person or by appointment of proxy(ies). The rules including the voting procedures are set out in the notice of general meetings. In accordance with the Constitution of the Company, shareholders may appoint one or two proxies to attend and vote at general meetings in their absence. The proxy forms must be deposited with the Company not less than seventy-two (72) hours before the time set for the general meetings.

IV. SHAREHOLDERS RIGHTS AND RESPONSIBILITIES (cont'd)

A Relevant Intermediary [1] may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his/her vote(s) at the general meetings in person. CPF Investors and SRS Investors who are unable to attend the general meetings but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the general meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the general meetings.

The Company does not have any investor relations policy presently. However, the Board believes that given that Mr Poh Wee Chiow, Roger, an independent director of the Company, who possesses relevant expertise in the areas of investor and public relations and shareholder advocacy, the Company will be able to manage the investor relations function should the need arises. The Company does not practice selective disclosure of material information. It has adopted a policy of making all necessary disclosures in public announcements via SGXNet and price-sensitive information is publicly released through timely announcements including via SGXNet and a well-maintained and updated corporate website.

Copies of the Annual Report and the Notice of the AGM and/or Extraordinary General Meetings, where applicable, are sent to every shareholder of the Company. The Notices of the general meetings are also advertised in the newspapers and released via SGXNet.

Before and after every general meeting, the Chairman and other members of the Board will engage in dialogue with shareholders, to gather views or inputs, and address shareholders' concerns.

The Group believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible. The Group's officers promptly communicate with its shareholders and analysts whenever appropriate and attend to their queries or concerns. The Group's officers also manage the dissemination of corporate information to the media, public, institutional investors and public shareholders, and act as a liaison point for such entities and parties.

The Group believes in maintaining regular dialogue with Shareholders and it encourages shareholders' participation at general meetings and analyst briefings which also act as a platform to solicit and understand the views of shareholders and to address shareholders' concerns.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results or operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. For FY2017, the Company will not be paying any dividends to shareholders as the Company has no distributable profits to declare dividends.

As the authentication of shareholders' identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Separate resolutions are tabled and passed at every general meeting on each distinct issue and voting on each resolution by poll is carried out systematically with proper recording of votes cast and the resolution passed. "Bundling" of resolutions are kept to a minimum and are done only where the resolutions are interdependent so as to form one significant proposal and only where there are reasons and material implications justifying the same.

[1] A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Cap. 289) and who holds shares in that capacity; or
(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

IV. SHAREHOLDERS RIGHTS AND RESPONSIBILITIES (cont'd)

At each general meeting, the Board (including Management and the chairpersons of the AC, NC and RC) encourages shareholders to participate in the question and answer session. The external auditors are also present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditors' report.

The minutes of the general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management are prepared and are made available to shareholders upon written request.

In support of greater transparency of the voting process and to enhance shareholders' participation, the Company puts all resolutions proposed at the general meetings to vote by poll since 2016. Shareholders who are present in person or represented by proxies will be entitled to one vote for each share held. A scrutineer is appointed to count and validate the votes cast at the general meetings. The total number of votes cast for and against each resolution and the respective percentage are announced and released to the SGX-ST via SGXNET.

DEALINGS IN SECURITIES

The Company has complied with Rule 1204(19) of the Catalist Rules of the SGX-ST in relation to dealings in the Company's securities as it has adopted an internal guideline for its officers with regard to dealing with the Company's securities.

The Company issues electronic mails to its Directors, key management personnel and employees that they must not trade in the shares of the Company commencing one month before the announcement of the Company's half-year and full-year financial results and ending on the date of announcement of the results.

In addition, Directors and all key management personnel are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are discouraged from dealing in the Company's securities on short term considerations or if they are in possession of unpublished price sensitive information.

INTERESTED PERSONS TRANSACTIONS

To ensure compliance with the relevant rules under Chapter 9 of the Catalist Rules of the SGX-ST, the Board and AC regularly review if the Company will be entering into any IPTs and if it does, to ensure that the Company complies with the requisite rules under Chapter 9 in ensuring that all the IPTs are conducted at arms' length and on normal commercial terms and ensuring that it will not be prejudicial to the interests of the Company and its minority shareholders. The Group does not have a general mandate for recurrent IPTs.

There were no IPTs with value of S$100,000 and above transacted in FY2017.

CORPORATE SOCIAL RESPONSIBILITY

For FY2017, the Company does not have a corporate social responsibility ("**CSR**") policy in place. The business of the Company is currently in transition and therefore the Board will consider drawing up a CSR policy after the Comapny has completed the current transition or reached a meaningful juncture thereof.

MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of the CEO, any Director or controlling shareholder, which are either still subsisting at the end of FY2017 or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

No non-sponsor fees were paid to the Company's sponsor, Stamford Corporate Services Pte Ltd ("**Sponsor**") for FY2017. A payment of approximately $72,000 was made to Morgan Lewis Stamford LLC, a related corporation of the Sponsor, for work in connection with a placement of shares and a major transaction for an acquisition of a subsidiary.

USE OF PROCEEDS FROM PLACEMENTS

(a) The net proceeds from the placement which was completed on 12 June 2014, was approximately S$6.800 million ("**June 2014 Placement**"), out of which the entire amount had been utilised as at the date of this report, as set out below:

Intended Use	Amount of Net Proceeds allocated S$'000	Amount Utilised to date S$'000	Amount Unutilised to date S$'000
General working capital	680	680 [1]	–
Potential acquisitions and investments	6,120	6,120 [2]	–
Total	**6,800**	**6,800**	**–**

Notes:

1 Utilised for payment to employee benefits expenses amount to S$680,000.
2 Utilised to fund the consideration for the acquisition of five investment properties via Richwood Asia I Investments and One Room Mansion Limited, and for professional fees in connection with the acquisition of investments in China.

The utilisation of proceeds from the June 2014 Placement is in accordance with its intended use.

(b) The net proceeds from the placement, which was completed on 18 November 2014, was approximately S$28.340 million ("**November 2014 Placement**"), out of which the entire amount had been utilised as at the date of this report, as set out below:

Intended Use	Amount of Net Proceeds allocated S$'000	Amount Utilised to date S$'000	Amount Unutilised to date S$'000
General working capital	1,417	1,417 [1]	–
Potential acquisitions and investments pursuant to diversification	26,923	26,923 [2]	–
Total	**28,340**	**28,340**	**–**

Notes:

1 Utilised for payment to audit fees S$129,000, legal and professional fees S$934,000, EGM expenses S$95,000, rental of office S$53,000, travelling expense S$135,000 and other office supplies S$71,000.
2 Utilised to partially fund the consideration for the acquisition of Richwood Asia Investments Limited and One Room Mansion Limited.

The utilisation of proceeds from the November 2014 Placement is in accordance with its intended use.

(c) The net proceeds from the placement, which was completed on 22 August 2017, was approximately S$36.250 million ("**August 2017 Placement**"), out of which the entire amount had been utilised as at the date of this report, as set out below:

Intended Use	Amount of Net Proceeds allocated S$'000	Amount Utilised to date S$'000	Amount Unutilised to date S$'000
Partially fund the acquisition of 60% of the issued and paid up capital of Global Entertainment Media Pte Ltd	36,250	36,250	–
Total	**36,250**	**36,250**	**–**

The utilisation of proceeds from the August 2017 Placement is in accordance with its intended use.

Statement by Directors

The directors are pleased to present the accompanying consolidated financial statements of Imperium Crown Ltd (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the reporting year ended 30 June 2017.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

The board of directors approved and authorised these financial statements for issue.

2. DIRECTORS

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

Mr Wan Jinn Woei
Mr Chen Yeow Sin
Mr Poh Wee Chiow, Roger
Ms Pok Mee Yau (appointed on 28 February 2017)
Mr Yong Chor Ken

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the reporting year were not interested in shares in or debentures of the Company or other related body corporate as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	At beginning of reporting year or date of appointment if later	At end of reporting year	At beginning of reporting year or date of appointment if later	At end of reporting year
Imperium Crown Limited				
Mr Wan Jinn Woei	–	–	68,925,925	–
Mr Yong Chor Ken	10,300,000	10,300,000	–	–

The directors' interests as at 21 July 2017 were the same as those as at 30 June 2017.

4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. SHARE OPTIONS

During the reporting year, no option to take up unissued shares of the Company or any subsidiary was granted.

During the reporting year, there were no shares of the Company or any subsidiary issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares of the Company or any subsidiary under option.

6. AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the date of this report are:

Mr Chen Yeow Sin (Chairman of AC)
Mr Poh Wee Chiow, Roger (Independent director)
Ms Pok Mee Yau (Independent director)

All members of the AC are non-executive directors.

The AC performs the functions specified by section 201B (5) of the Companies Act. Among other functions, it performed the following:

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

6. AUDIT COMMITTEE (cont'd)

Other functions performed by the AC are described in the report on corporate governance included in the annual report. It also includes an explanation of how independent auditor objectivity and independence are safeguarded where the independent auditor provides non-audit services.

The AC has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next annual general meeting of the Company.

7. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the Company, work performed by the external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the Company's internal controls, addressing financial, operational and compliance risks, are adequate as at and for the reporting year ended 30 June 2017.

9. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 25 August 2017, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

Wan Jinn Woei	**Yong Chor Ken**
Director	Director

7 September 2017

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Imperium Crown Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of investment properties classified as assets held for sale

Please refer to note 2A on the relevant accounting policy, note 2C on critical judgements, assumptions and estimation uncertainties, and note 16 on assets held for sale.

As at 30 June 2017, the Group held four investment properties that are classified as assets held for sale following management's decision to sell them. Out of these four properties, two were sold subsequent to the end of the reporting year and, for the remaining two properties, letters of intent from potential buyers have been received and management expects the sales to be completed within the next 12 months after the end of the reporting year. Accordingly, these assets are classified as current assets as at 30 June 2017 and are measured at the agreed sales price less costs to sell or fair value based on independent external valuations, depending on the circumstances.

For the properties that were sold subsequent to the end of the reporting year, we reviewed the sales agreements and checked to the agreed sales price.

For the properties that have not yet been sold, we evaluated the independence, objectivity and competency of the valuer and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity. Using our internal valuation specialists, we assessed the appropriateness of the valuation methodologies adopted and the reasonableness of assumptions applied. In addition, we tested the integrity of inputs of the projected cash flows used. We also challenged the growth rates and discount rates used in the computations by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuer.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors’ responsibilities include overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's responsibilities for the audit of the financial statements **(cont'd)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Adrian Tan Khai-Chung.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

7 September 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 June 2017

	Note	Group 2017 $'000	Group 2016 $'000
Continuing operations			
Revenue	5	4,866	4,742
Less: Property operating expenses		(2,193)	(1,773)
Net property income		2,673	2,969
Other income	6	97	197
Depreciation of property, plant and equipment	11	(12)	(14)
Other operating expenses	7	(7,678)	(1,528)
Finance costs	9	(617)	(554)
Net fair value gain/(loss) on financial derivatives	21	301	(450)
Net fair value gain/(loss) on investment properties	12	1,099	(16,501)
Loss before tax		(4,137)	(15,881)
Income tax (expense)/benefit	10	(2,548)	3,505
Loss for the year		(6,685)	(12,376)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of property, plant and equipment, net of tax	19	–	504
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations, net of tax	19	(2,859)	9,350
Other comprehensive (loss)/income for the year, net of tax		(2,859)	9,854
Total comprehensive loss for the year		(9,544)	(2,522)
Earnings per share			
Earnings per share currency unit		Cents	Cents
Basic and diluted	24	(1.37)	(2.53)

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

Statements of Financial Position

As at 30 June 2017

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	5	50	5	50
Investment properties	12	–	94,066	–	880
Investments in subsidiaries	13	–	–	36,211	36,357
Trade and other receivables	14	6,000	–	6,000	–
Other financial assets	15	–	–	–	–
Total non-current assets		6,005	94,116	42,216	37,287
Current assets					
Assets held for sale	16	67,020	–	–	–
Trade and other receivables	14	217	277	14	39
Cash and cash equivalents	17	1,160	5,261	731	4,796
Restricted cash	18	3,196	4,205	–	–
Total current assets		71,593	9,743	745	4,835
Total assets		77,598	103,859	42,961	42,122
EQUITY AND LIABILITIES					
Equity					
Share capital	19	47,815	47,815	47,815	47,815
Treasury shares	19	(58)	(58)	(58)	(58)
Accumulated losses		(10,353)	(4,172)	(5,379)	(7,243)
Other reserves	20	6,599	9,962	–	504
Total equity		44,003	53,547	42,378	41,018
Non-current liabilities					
Deferred tax liabilities	10	2,576	1,502	–	103
Other financial liabilities	21	50	45,162	50	270
Security deposits		926	1,157	–	–
Total non-current liabilities		3,552	47,821	50	373
Current liabilities					
Trade and other payables	22	675	1,621	434	551
Other financial liabilities	21	28,957	547	99	180
Security deposits		147	–	–	–
Deferred revenue		264	323	–	–
Total current liabilities		30,043	2,491	533	731
Total liabilities		33,595	50,312	583	1,104
Total equity and liabilities		77,598	103,859	42,961	42,122

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

Statements of Changes in Equity

Year ended 30 June 2017

	Share capital $'000	Treasury shares $'000	(Accumulated losses)/ retained earnings $'000	Translation reserves $'000	Revaluation reserves $'000	Total equity $'000
<u>**Group**</u>						
Current year						
At 1 July 2016	47,815	(58)	(4,172)	9,458	504	53,547
Movements in equity						
Loss for the year	–	–	(6,685)	–	–	(6,685)
Exchange differences on translating foreign operations	–	–	–	(2,859)	–	(2,859)
Transferred to retained earnings	–	–	504	–	(504)	–
At 30 June 2017	47,815	(58)	(10,353)	6,599	–	44,003
Previous year						
At 1 July 2015	47,815	–	8,693	108	–	56,616
Movements in equity						
Purchase of treasury shares (note 19)	–	(58)	–	–	–	(58)
Loss for the year	–	–	(12,376)	–	–	(12,376)
Dividends paid (note 23)	–	–	(489)	–	–	(489)
Exchange differences on translating foreign operations	–	–	–	9,350	–	9,350
Revaluation of property, plant and equipment	–	–	–	–	504	504
At 30 June 2016	47,815	(58)	(4,172)	9,458	504	53,547

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

Statements of Changes in Equity

Year ended 30 June 2017

	Share capital $'000	Treasury shares $'000	Accumulated losses $'000	Revaluation reserves $'000	Total equity $'000
Company					
Current year					
At 1 July 2016	47,815	(58)	(7,243)	504	41,018
Movements in equity					
Profit for the year	–	–	1,360	–	1,360
Transferred to retained earnings	–	–	504	(504)	–
At 30 June 2017	47,815	(58)	(5,379)	–	42,378
Previous year					
At 1 July 2015	47,815	–	(6,268)	–	41,547
Movements in equity					
Purchase of treasury shares (note 19)	–	(58)	–	–	(58)
Loss for the year	–	–	(486)	–	(486)
Dividends paid (note 23)	–	–	(489)	–	(489)
Revaluation of property, plant and equipment	–	–	–	504	504
At 30 June 2016	47,815	(58)	(7,243)	504	41,018

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

Consolidated Statement of Cash Flows

Year ended 30 June 2017

	2017 $'000	2016 $'000
Cash flows from operating activities		
Loss before tax	(4,137)	(15,881)
Adjustments for:		
Amortisation of long-term prepaid consumption tax	–	21
Depreciation of property, plant and equipment	12	14
Interest income	(11)	(55)
Finance costs	617	554
Loss on disposal of property, plant and equipment	36	–
Net fair value (gain)/loss on financial derivatives	(301)	450
Net fair value (gain)/loss on investment properties	(1,099)	16,501
Loss on disposal of investment properties	2,682	–
Loss on financial assets at fair value through profit or loss	2,448	–
Operating cash flows before changes in working capital	247	1,604
Trade and other receivables	1,519	292
Trade and other payables	(870)	433
Deferred revenue	(36)	57
Net cash flows from operations	860	2,386
Income taxes paid	(1,562)	(71)
Net cash flows (used in)/from operating activities	(702)	2,315
Cash flows from investing activities		
Acquisition of investment properties (including acquisition related costs and capital expenditures)	(290)	(21,028)
Deposits	(6,000)	–
Proceeds from disposal of investment properties	19,210	–
Acquisition of subsidiary (note 13)	(2,447)	–
Interest received	11	52
Purchase of property, plant and equipment	(3)	(51)
Net cash flows from/(used in) investing activities	10,481	(21,027)
Cash flows from financing activities		
Dividends paid	–	(489)
Proceeds from bank borrowings	–	22,348
Repayments of bank borrowings	(14,032)	(7,070)
Purchase of treasury shares	–	(58)
Security deposits	(2)	(288)
Interest paid	(525)	(472)
Restricted cash	712	(612)
Net cash flows (used in)/from financing activities	(13,847)	13,359
Net decrease in cash and cash equivalents	(4,068)	(5,353)
Cash and cash equivalents at beginning of year	5,261	10,530
Effect of exchange rate changes on cash and cash equivalents	(33)	84
Cash and cash equivalents at end of year (note 17)	1,160	5,261

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

1. GENERAL

Imperium Crown Limited (the "Company") is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activity of the Company is that of investment holding. It is listed on Catalist which is a market of the Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries are set out in note 13 to the financial statements.

The financial statements are presented in Singapore dollars and the amount are rounded to the nearest thousand, unless otherwise stated.

The registered office is: 1 Commonwealth Lane, #06-20 One Commonwealth, Singapore 149544. The Company is situated in Singapore.

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2, where applicable.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries (the "Group"). The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

1. GENERAL (cont'd)

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The Company's financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, no statement of profit or loss and other comprehensive income is presented for the Company.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates.

Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Dividend from equity instruments is recognised as income when the entity's right to receive dividend is established.

Interest income is recognised using the effective interest method.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan).

For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences; when the employees render services that increases their entitlement to future compensated absences, and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowings

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions.

At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Assets classified as held for sale

Identifiable assets and liabilities and any disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by FRS 105 in certain circumstances. It can include a subsidiary acquired exclusively with a view to resale. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are presented separately on the face of the statement of financial position. Once an asset is classified as held for sale or included in a group of assets held for sale no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

Property, plant and equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold properties	–	2%
Renovations and furniture	–	17% – 50%
Office and other equipment	–	20% – 50%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Investment property

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the fair value model is used to measure the investment property at fair value as of the end of the reporting year. A gain or loss arising from a change in the fair value of investment property is included in profit or loss for the reporting year in which it arises. The fair values are measured periodically on a systematic basis at least once yearly by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Business combinations

Business combinations are accounted for by applying the acquisition method. A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.

When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. 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 measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets

Initial recognition, measurement and derecognition

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. When the settlement date accounting is applied, any change in the fair value of the asset to be received during the period between the trade date and the settlement date is recognised in net profit or loss for assets classified as trading.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

(i) Financial assets at fair value through profit or loss: Assets are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading assets) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to assets at fair value through profit or loss are recognised directly in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

(ii) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

(iii) Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.

(iv) Available-for-sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Hedging

The entity is exposed to currency and interest rate risks. The policy is to reduce currency and interest rate exposures through derivatives and other hedging instruments. From time to time, there may be borrowings and foreign exchange arrangements or interest rate swap contracts or similar instruments entered into as hedges against changes in interest rates, cash flows or the fair value of the financial assets and liabilities. The gain or loss from remeasuring these hedging or other arrangement instruments at fair value are recognised in profit or loss. The derivatives and other hedging instruments used are described below in the notes to the financial statements.

Derivatives

All derivatives are initially recognised and subsequently carried at fair value. Certain derivatives are entered into in order to hedge some transactions and all the strict hedging criteria prescribed by FRS 39 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in profit or loss and the hedged item follows normal accounting policies.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Financial liabilities

Initial recognition, measurement and derecognition

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date method. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

(i) Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

(ii) Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method.

Fair value measurement

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless state otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

(a) Measurement of investment properties classified as assets held for sale

Investment properties classified as assets held for sale are stated at fair value based on agreed selling price less costs to sell or valuations performed by independent professional valuers, depending on the circumstances. Where valuations are performed by independent professional valuers, in determining the fair value, the valuers have used valuation methods that involve certain estimates. The fair values are determined using the income approach, which includes the direct capitalisation method and discounted cash flow method. This approach involves the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The fair value amounts are disclosed in the note on assets held for sale.

(b) Fair value of unquoted investments

If a financial asset is not traded in an active market or if the quoted price is not readily and regularly available, the fair value is established by using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discount rates. The carrying amount is disclosed in the note on other financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

(c) Income taxes

The entity recognises tax liabilities and assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of a group

Related companies in these financial statements include the members of the Group.

As at 30 June 2016, the ultimate controlling party was Third Rose Asia Sdn Bhd ("Third Rose Asia") whose shares were held on behalf by Ms Tan Geok Bee.

During the year ended 30 June 2017, following the sale of 128,925,925 ordinary shares held by Ms Tan Geok Bee and Mr Sim Chng Yong to Mr Henry Wee, the ultimate controlling party became Mr Henry Wee.

3B. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and any financial guarantees are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as intercompany transactions and balances below.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (cont'd)

3B. Related party transactions (cont'd)

Significant related party transactions

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Group 2017 $'000	Group 2016 $'000
Related parties		
Rental income		
– Communication Design International (Singapore) Pte Ltd ("CDI Singapore") [(a)]	–	54
Reimbursement of cost of extraordinary general meeting ("EGM")		
– Third Rose Asia [(b)]	–	(139)
Rental expenses and deposit		
– Alternative Advisors Pte Ltd ("Alternative Advisors") [(c)]	(30)	–
– Henry Wee	(9)	–
Escrow deposit for potential acquisition		
– JLC Advisors LLP [(d)]	(6,000)	–
Professional charges		
– JLC Advisors LLP [(d)]	(151)	–

(a) CDI Singapore is 100% owned by Mr Bay Cheow Guan David, who was the Company's non-executive director up until 30 June 2016.

(b) Third Rose Asia is 95% owned by Mr Wan Jinn Woei, who is currently the Company's executive chairman and chief executive officer. Ms Tan Geok Bee (on behalf of Third Rose Asia) and Mr Yeo Wee Kok (the "Requisitionists") convened an EGM on 30 June 2016 to reconstitute the board of directors of the Company. Pursuant to Section 176(4) of Companies Act, Chapter 50, the Company was to reimburse any reasonable expenses incurred by the Requisitionists by reason of the failure of the former directors of the Company to convene such a meeting. Included in this amount was $35,000 paid to Alternative Advisors Investments Pte Ltd, a company controlled by Mr Yong Chor Ken, a director of the Company, for corporate advisory fees in relation to the planning and convening of the aforesaid EGM.

(c) Alternative Advisors is a company controlled by Mr Yong Chor Ken, a director of the Company.

(d) JLC Advisors LLP is a legal firm where Ms Pok Mee Yau, who is director of the Company, is a partner.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (cont'd)

3C. Key management compensation

	Group	
	2017 $'000	2016 $'000
Salaries and other short-term employee benefits	603	299

Included in the above amounts are the following items:

	Group	
	2017 $'000	2016 $'000
Remuneration of directors of the Company	416	17
Fees to directors of the Company	135	141
Over-provision of fees to directors in the prior year	(141)	–

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The above amounts for key management compensation are for all the directors and key department heads.

Further information about the remuneration of individual directors is provided in the report on corporate governance.

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4A. Information on reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

For management purposes, the Group is organised into one strategic operating segment, i.e., property development and property investment. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which management reports the primary segment information.

There were no property development activities during the reporting year.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate the segment's operating results comprise earnings from operations before depreciation and amortisation, interests and income taxes (called "Recurring EBITDA").

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (cont'd)

4B. Profit or loss from continuing operations and reconciliations

	Property development and property investment $'000	Unallocated segment $'000	Eliminations $'000	Group $'000
2017				
Sales to external customers	4,866	–	–	4,866
Recurring EBITDA	2,673	–	–	2,673
Other income	37	60	–	97
Depreciation	–	(12)	–	(12)
Finance costs	(617)	–	–	(617)
Net fair value gain on financial derivatives	–	301	–	301
Net fair value gain on investment properties	1,099	–	–	1,099
Loss on disposal of investment properties	(2,682)	–	–	(2,682)
Loss on financial assets at fair value through profit or loss	–	(2,448)	–	(2,448)
Other operating expenses	(168)	(2,380)	–	(2,548)
Profit/(loss) before tax	342	(4,479)	–	(4,137)
Income tax expense	(2,548)	–	–	(2,548)
Loss after tax	(2,206)	(4,479)	–	(6,685)
2016				
Sales to external customers	4,742	–	–	4,742
Recurring EBITDA	2,969	–	–	2,969
Other income	102	95	–	197
Depreciation	–	(14)	–	(14)
Finance costs	(554)	–	–	(554)
Net fair value loss on financial derivatives	–	(450)	–	(450)
Net fair value loss on investment properties	(16,501)	–	–	(16,501)
Other operating expenses	(195)	(1,333)	–	(1,528)
Loss before tax	(14,179)	(1,702)	–	(15,881)
Income tax benefit	3,505	–	–	3,505
Loss after tax	(10,674)	(1,702)	–	(12,376)

Unallocated segment comprise primarily of corporate office expenses that cannot be attributed meaningfully to any particular segment.

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (cont'd)

4C. Assets and reconciliations

	Property development and property investment $'000	Unallocated segment $'000	Group $'000
2017			
Total assets for reportable segments			
– Assets held for sale	67,020	–	67,020
– Restricted cash	3,196	–	3,196
– Others	–	7,382	7,382
			77,598
2016			
Total assets for reportable segments			
– Investment properties	94,066	–	94,066
– Restricted cash	4,205	–	4,205
– Others	–	5,588	5,588
			103,859

4D. Liabilities and reconciliations

	Property development and property investment $'000	Unallocated segment $'000	Group $'000
2017			
Total liabilities for reportable segments			
– Borrowings	28,858	–	28,858
– Security deposits	1,073	–	1,073
– Deferred revenue	264	–	264
– Deferred tax liabilities	2,576	–	2,576
– Derivative financial instruments	–	149	149
– Others	–	675	675
			33,595
2016			
Total liabilities for reportable segments			
– Borrowings	45,259	–	45,259
– Security deposits	1,157	–	1,157
– Deferred revenue	323	–	323
– Deferred tax liabilities	1,502	–	1,502
– Derivative financial instruments	–	450	450
– Others	–	1,621	1,621
			50,312

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (cont'd)

4E. Other material items and reconciliations

	Property development and property investment $'000	Unallocated segment $'000	Group $'000
2017			
Expenditure for non-current assets	–	3	3
Net fair value gain on financial derivatives	–	301	301
Net fair value gain on investment properties	1,099	–	1,099
Depreciation of property, plant and equipment	–	12	12
2016			
Expenditure for non-current assets	–	51	51
Net fair value loss on financial derivatives	–	(450)	(450)
Net fair value loss on investment properties	(16,501)	–	(16,501)
Depreciation of property, plant and equipment	–	14	14

4F. Geographical information

	Group	
	2017 $'000	2016 $'000
Revenue		
– Japan	4,821	4,688
– Singapore	45	54
	4,866	4,742
Total consolidated assets		
– Japan	70,848	98,094
– Singapore	6,750	5,765
	77,598	103,859

Revenue is attributed to countries on the basis of the customer's location. Total assets are analysed by the geographical areas in which the assets are located.

4G. Information about major customers

The Group's continuing operations mainly comprise of investment properties located in Japan that are primarily used for residential and commercial related purposes.

	Group	
	2017 $'000	2016 $'000
Top 1 customer	308	395
Top 2 customers	596	684
Top 3 customers	809	957

5. REVENUE

	Group 2017 $'000	Group 2016 $'000
Rental income from properties	4,866	4,742

6. OTHER INCOME

	Group 2017 $'000	Group 2016 $'000
Bank interest income	11	55
Net gain on termination compensation	–	78
Others	86	64
	97	197

7. OTHER OPERATING EXPENSES

The following items have been included in arriving at other operating expenses from continuing operations:

	Group 2017 $'000	Group 2016 $'000
Audit fees to independent auditors of the Company	54	38
Audit fees to independent auditors of the subsidiaries	53	78
Non-audit fees to independent auditors of the Company	7	4
Internal audit fees	15	–
Legal and professional fees	934	285
EGM expenses	95	246
Allowance for impairment loss on trade and other receivables	14	1
Loss on financial assets at fair value through profit or loss	2,448	–
Loss on disposal of investment properties	2,682	–
Loss on disposal of property, plant and equipment	36	–

8. EMPLOYEE BENEFITS EXPENSE

	Group 2017 $'000	Group 2016 $'000
Wages and salaries	616	300
Contributions to defined contribution plan	30	32
Severance payment	48	–
Directors' fee	135	141
Over-provision of fees to directors in prior year	(141)	–
Others	3	6
	691	479

9. FINANCE COSTS

	Group 2017 $'000	Group 2016 $'000
Interest expenses on bank borrowings	525	472
Amortisation of transaction costs relating to loan facilities	92	82
	617	554

10. INCOME TAX

10A. Components of tax expense/(benefit) recognised in profit or loss

	Group 2017 $'000	Group 2016 $'000
Current tax		
Current tax expense	1,577	5
	1,577	5
Deferred tax		
Deferred tax expense/(benefit)	1,074	(3,510)
Adjustments in respect of prior years	(103)	–
	2,548	(3,505)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2016: 17%) to profit or loss before income tax as a result of the following differences:

	Group 2017 $'000	Group 2016 $'000
Loss before tax	(4,137)	(15,881)
Tax calculated at tax rate of 17% (2016: 17%)	(703)	(2,700)
Non-deductible expenses	981	224
Income not subject to tax	(56)	(383)
Effect of tax rates in different jurisdictions	517	(1,133)
Withholding taxes	1,563	–
Deferred tax assets not recognised	–	61
Others	246	426
	2,548	(3,505)

10B. Deferred tax (expense)/benefit recognised in profit or loss

	Group 2017 $'000	Group 2016 $'000
Excess of fair value of investment properties over tax value	(720)	3,700
Undistributed earnings of subsidiaries	(354)	(190)
Tax loss carryforwards	–	61
Deferred tax assets not recognised	–	(61)
	(1,074)	3,510

10. INCOME TAX (cont'd)

10C. Deferred tax expense recognised in other comprehensive income

	Group	
	2017 $'000	2016 $'000
Revaluation of property, plant and equipment	(103)	103
Exchange differences on translation	103	108
	–	211

10D. Deferred tax liabilities in statements of financial position

	Group	
	2017 $'000	2016 $'000
From deferred tax liabilities recognised in profit or loss		
Excess of fair value of investment properties over tax value	(1,821)	(1,101)
Undistributed earnings of subsidiaries	(544)	(190)
Tax loss carryforwards	1,288	1,288
Deferred tax assets not recognised	(1,288)	(1,288)
From deferred tax liabilities recognised in other comprehensive income		
Revaluation of property, plant and equipment	–	(103)
Exchange differences on translation	(211)	(108)
Deferred tax liabilities	(2,576)	(1,502)

	Company	
	2017 $'000	2016 $'000
From deferred tax liabilities recognised in profit or loss		
Tax loss carryforwards	1,288	1,288
Deferred tax assets not recognised	(1,288)	(1,288)
From deferred tax liabilities recognised in other comprehensive income		
Revaluation of property, plant and equipment	–	(103)
Deferred tax liabilities	–	(103)

The realisation of the future income tax benefits from tax losses carry forward and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

The deferred tax relating to an asset is dependent on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model for investment property or when fair value is required or permitted by a FRS for a non-financial asset. For the properties in Japan, as there is no clear evidence that it will consume the relevant asset's economic benefits throughout its economic life, it has measured the deferred tax amount on the assumption that the carrying amount of the underlying asset will be recovered entirely by sale.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $'000	Renovations and furniture $'000	Office and other equipment $'000	Total $'000
Group and Company				
Cost				
At 1 July 2015	358	38	100	496
Additions	–	44	7	51
Written-off	–	(15)	(90)	(105)
Adjustment on revaluation	522	–	–	522
Transfers to investment properties	(880)	–	–	(880)
At 30 June 2016	–	67	17	84
Additions	–	–	3	3
Disposals	–	(32)	(4)	(36)
Written-off	–	(30)	(10)	(40)
At 30 June 2017	–	5	6	11
Accumulated depreciation				
At 1 July 2015	85	25	100	210
Adjustment on revaluation	(85)	–	–	(85)
Depreciation for the year	–	12	2	14
Written-off	–	(15)	(90)	(105)
At 30 June 2016	–	22	12	34
Depreciation for the year	–	10	2	12
Disposals	–	–	–	–
Written-off	–	(30)	(10)	(40)
At 30 June 2017	–	2	4	6
Carrying value				
At 1 July 2015	273	13	–	286
At 30 June 2016	–	45	5	50
At 30 June 2017	–	3	2	5

12. INVESTMENT PROPERTIES

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
At valuation				
At beginning of year	94,066	72,050	880	–
Additions (note 13)	–	20,236	–	–
Disposals	(21,892)	–	(880)	–
Transfers from property, plant and equipment	–	880	–	880
Acquisition related costs	–	484	–	–
Capital expenditures	290	308	–	–
Currency translation differences	(6,543)	16,609	–	–
Increase/(decrease) in fair value recognised in profit or loss	1,099	(16,501)	–	–
Reclassifications to assets held for sale (note 16)	(67,020)	–	–	–
At end of year	–	94,066	–	880

The following amounts are recognised in profit or loss:

Rental income	4,866	4,742	45	54
Operating expenses arising from investment properties that generated rental income	(2,193)	(1,773)	(7)	(10)

The Company, through its subsidiaries, One Room Mansion Limited ("One Room Mansion") and Richwood Asia I Investment Limited ("Richwood Asia I Investment"), invested in investment properties in Japan by entering into Japanese tokumei kumiai arrangements ("TK arrangements") as a tokumei kumiai investor ("TK investor") with Japanese limited liability companies known as tokumei kumiai operators ("TK operators"), which are the property holding companies. Such TK arrangements are a common method of investing and holding real estate in Japan. The relationship between the TK operators and TK investors is governed by tokumei kumiai agreements ("TK agreements"), whereby the TK investors provide funds to the TK operators in return for income derived from the investment properties held by the TK operators (the "TK business").

During the reporting year ended 30 June 2016, the Group, through One Room Mansion, acquired two additional investment properties, namely, New City Apartment Minowa and New City Apartment Kuramae, for a consideration of $20,236,000.

Accordingly, as at 30 June 2016, the Group had the following investment properties in Japan:

- Hatchobori Place
- Green Forest Itabashi
- Green Forest Kuramae
- New City Apartment Minowa
- New City Apartment Kuramae

During the reporting year ended 30 June 2017, the Group disposed of the Green Forest Kuramae investment property for a consideration of $18,589,600.

In addition, the Group also entered into a sale and purchase agreement for the sale of New City Apartment Minowa and New City Apartment Kuramae for a consideration of $8,928,000 and $13,086,000, respectively. The sale of these two properties was finalised on 28 July 2017. Further, the Group has also obtained letters of intent from potential buyers for Hatchobori Place and Green Forest Itabashi and management expects the sale of these two properties to be completed within the next 12 months after the end of the reporting year.

12. INVESTMENT PROPERTIES (cont'd)

Accordingly, as at 30 June 2017, New City Apartment Minowa, New City Apartment Kuramae, Hatchobori Place and Green Forest Itabashi have been reclassified to assets held for sale (note 16).

The fair value of the investment properties at New City Apartment Minowa and New City Apartment Kuramae are based on the agreed sales price.

The fair value of the investment properties at Hatchobori Place and Green Forest Itabashi were measured in June 2017 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value of the properties are based on valuations made by Jones Lang LaSalle K.K, a firm of independent professional valuers, on a systematic basis at least once yearly. The firm holds recognised and relevant professional qualifications with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the year.

In addition, as at 30 June 2016, the Group also had an investment property in Singapore which was disposed of during the reporting year ended 30 June 2017 for a consideration of $620,000.

The bank borrowings are secured by investment properties of the Group with fair value amounting to $67,020,000 (2016: $93,186,000) (note 21).

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and information about the significant unobservable inputs used in the fair value measurement are as follows:

	Property 1	Property 2	Property 3	Property 4	Property 5	Property 6
Name and location	Hatchobori Place, Chuo-ku, Tokyo	Green Forest Itabashi, Itabashi-ku, Tokyo	Green Forest Kuramae, Taito-ku, Tokyo	New City Apartment Minowa, Arakawa-ku, Tokyo	New City Apartment Kuramae, Taito-ku, Tokyo	10 Bukit Batok Crescent #04-01, The Spire, Singapore
Description	Office building	Retail cum residential	Residential	Residential	Residential	Commercial
Land area	580 sqm	1,222 sqm	708 sqm	364 sqm	322 sqm	185 sqm
Tenure of land	Freehold	Leasehold interest in land and freehold interest in building	Freehold	Freehold	Freehold	Leasehold
Last valuation date	30 June 2017	30 June 2017	Disposed of during the year	Based on agreed sales price	Based on agreed sales price	Disposed of during the year
Fair value	$25,316,000 (2016: $26,320,000)	$19,690,000 (2016: $21,188,000)	Not applicable (2016: $22,503,000)	$8,928,000 (2016: $9,356,000)	$13,086,000 (2016: $13,819,000)	Not applicable (2016: $880,000)
Fair value hierarchy	Level 3 (2016: Level 3)	Level 3 (2016: Level 3)	Not applicable (2016: Level 3)	Not applicable (2016: Level 3)	Not applicable (2016: Level 3)	Not applicable (2016: Level 3)
Valuation technique	Discounted cash flow method/Direct capitalisation method	Discounted cash flow method/Direct capitalisation method	Not applicable (2016: Discounted cash flow method/Direct capitalisation method)	Based on agreed sales price (2016: Discounted cash flow method/Direct capitalisation method)	Based on agreed sales price (2016: Discounted cash flow method/Direct capitalisation method)	Not applicable (2016: Comparison with market evidence of recent transaction prices for similar properties)

12. INVESTMENT PROPERTIES (cont'd)

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and information about the significant unobservable inputs used in the fair value measurement are as follows:

	Property 1	Property 2	Property 3	Property 4	Property 5	Property 6
Significant unobservable inputs and range (weighted average)	Capitalisation rate: 3.8% (2016: 3.8%) Terminal capitalisation rate: 4.0% (2016: 4.0%) Discount rate: 3.6% (2016: 3.6%)	Capitalisation rate: 4.4% (2016: 4.4%) Terminal capitalisation rate: 4.5% (2016: 4.5%) Discount rate: 4.1% (2016: 4.1%)	Capitalisation rate: Not applicable (2016: 4.3%) Terminal capitalisation rate: Not applicable (2016: 4.5%) Discount rate: Not applicable (2016: 4.1%)	Capitalisation rate: Not applicable (2016: 4.2%) Terminal capitalisation rate: Not applicable (2016: 4.4%) Discount rate: Not applicable (2016: 4.0%)	Capitalisation rate: Not applicable (2016: 4.2%) Terminal capitalisation rate: Not applicable (2016: 4.4%) Discount rate: Not applicable (2016: 4.0%)	Not applicable
Relationship of unobservable inputs to fair value	Favourable (adverse) changes in discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows will increase (decrease) fair value	Favourable (adverse) changes in discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows will increase (decrease) fair value	Not applicable	Not applicable	Not applicable	Not applicable
Sensitivity on management's estimates	A hypothetical 10% change in rental income would have an effect on profit or loss before tax of $2,531,600	A hypothetical 10% change in rental income would have an effect on profit or loss before tax of $1,969,000	Not applicable	Not applicable	Not applicable	Not applicable

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017 $'000	2016 $'000
At beginning of year	36,357	31,000
Additions	2,460	–
Allowance for impairment	(2,448)	–
Quasi-equity loans receivable	(158)	5,357
At end of year	36,211	36,357
Total cost comprising:		
Unquoted equity shares at cost	33,460	31,000
Less: Allowance for impairment	(2,448)	–
Quasi-equity loans receivable	5,199	5,357
	36,211	36,357
Analysis of above amount in non-functional currencies:		
– JPY	2,940	3,164
– USD	28	17
– MYR	50	–

13. INVESTMENTS IN SUBSIDIARIES (cont'd)

	Company	
	2017 $'000	2016 $'000
Movements in allowance for impairment		
At beginning of year	–	194
Impairment allowance made	2,448	–
Impairment allowance utilised	–	(194)
At end of year	2,448	–

The quasi-equity loans are interest-free loans to subsidiaries for which there are no significant settlements planned or likely to occur in the foreseeable future. They are, in substance, part of the Company's net investment in the subsidiaries.

On 27 April 2017, the Group acquired 100% of the share capital of Development West Pty Ltd ("Development West"). Accordingly, from that date, the Group gained control and Development West became a subsidiary. The transaction was accounted for using the acquisition method of accounting.

The fair value of the identifiable assets acquired and liabilities assumed on the date of acquisition are as follows:

	Pre-acquisition book value under FRS $'000	Restated fair value $'000
Other financial assets	2,870	2,448
Loans and receivables	1	1
Cash and cash equivalents	3	3
Loans and payables	(2)	(2)
Net identifiable assets	2,872	2,450
Less: Non-controlling interests		–
Net identifiable assets acquired		2,450
Goodwill arising from acquisition		–
Purchase consideration		2,450

Net cash outflow on acquisition is as follows:

	2017 $'000
Cash consideration paid	2,450
Less: Cash and cash equivalents in subsidiary acquired	(3)
Net cash outflow on acquisition	2,447

13. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the Company's subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest 2017 %	Proportion of ownership interest 2016 %	Cost of investment 2017 $'000	Cost of investment 2016 $'000
Held by the Company						
One Room Mansion [a]	Cayman Islands	Investment holding	100	100	19,237	19,452
Richwood Asia I Investment [a]	British Virgin Islands	Investment holding	100	100	16,907	16,905
ICL Land Sdn Bhd [b]	Malaysia	Dormant	100	–	50	–
Development West [b]	Australia	Investment holding	100	–	2	–
WS Global Asset Management Pte Ltd [a]	Singapore	Dormant	100	–	15	–
Held by One Room Mansion						
Godo Kaisha Three Line (TK Operator) [c]	Japan	Special purpose entity – real estate agent	100	100	–*	–*
Held by Richwood Asia I Investment						
Godo Kaisha Halekulani (TK Operator) [c]	Japan	Special purpose entity – real estate agent	100	100	–*	–*

Notes

* Amount less than $1,000.

[a] Not audited as it is immaterial.

[b] Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

[c] Godo Kaisha Three Line and Godo Kaisha Halekulani were audited by RSM Seiwa Japan for consolidation purpose.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Trade receivables				
Outside parties	158	262	–	33
Less: Allowance for impairment	(18)	(32)	–	(28)
	140	230	–	5
Other assets				
Deposits #	6,014	6	6,014	6
Prepayments	17	30	–	17
Others	46	11	–	11
	6,077	47	6,014	34
Total trade and other receivables	6,217	277	6,014	39
Presented as:				
Current portion	217	277	14	39
Non-current portion	6,000	–	6,000	–
	6,217	277	6,014	39
Movements in allowance for impairment				
At beginning of year	32	31	28	28
Allowance made	14	1	–	–
Written-off	(28)	–	(28)	–
At end of year	18	32	–	28

This amount includes a deposit of $6,000,000 placed by the Company in an escrow account during the reporting year ended 30 June 2017 for the purpose of acquisition of a company (see note 28).

15. OTHER FINANCIAL ASSETS

	Level	Group	
		2017 $'000	2016 $'000
Investment in a trust	3	–	–

The subsidiary, Development West, owns approximately 27% of the interest in a trust known as Richardson Trust (the "Trust"), established under a trust deed and administered by Richardson 1 Pty Ltd, a company incorporated in Australia, acting as trustee (the "Trustee"). The Trust, through the Trustee, is the developer of a mix property development project in Western Australia.

Management has assessed the Group's investment in the Trust, including the extent of its voting stakeholding, the relationship between the Group and the Trust, the Trustee and the other stakeholders, the arrangements for the Trust and its Trustee, amongst others. In addition, the Group's maximum exposure to loss is limited to the original investment contributed by Development West in the Trust. Based on these factors, management has determined that this investment in the Trust is to be accounted for as a financial asset measured at fair value through profit or loss.

15. OTHER FINANCIAL ASSETS (cont'd)

Movements during the year are as follows:

	Group	
	2017 $'000	2016 $'000
At beginning of year	–	–
Additions	2,448	–
Less: Decrease in fair value through profit or loss under other losses (note 7)	(2,448)	–
At end of year	–	–

The fair value of the financial asset as at end of reporting year is determined as follows:

	2017 $'000
Properties under development	12,692
Loans and receivables	338
Cash and cash equivalents	1
Loans and payables	(23,963)
Net deficit	(10,932)
Fair value held by the Group at 27% equity interest	–

The decrease in fair value was due to delays in the construction of the property development project during the reporting year.

16. ASSETS HELD FOR SALE

As set out in note 12, the investment properties are presented as assets held for sale following management's decision to divest the Group's property portfolio in Japan.

	Group	
	2017 $'000	2016 $'000
At beginning of year	–	–
Reclassifications from investment properties (note 12)	67,020	–
At end of year	67,020	–

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cash at bank and on hand	1,160	2,246	731	1,781
Fixed deposits with banks	–	3,015	–	3,015
	1,160	5,261	731	4,796

The interest bearing balances are not significant.

18. RESTRICTED CASH

Restricted cash relates to trust account reserves and lender's account reserves, which are required to be maintained based on the agreements with the banks providing the loans. These cash are restricted for use in specific operating expenses, capital expenditure and tenant deposits and the bank's approval is required for the utilisation of such restricted cash.

19. SHARE CAPITAL AND TREASURY SHARES

19A. Share capital

	Company	
	Number of shares issued '000	Share capital $'000
At 30 June 2016 and 2017	490,000	47,815

The ordinary shares (except treasury shares) of no par value which are fully paid carry no right to fixed income.

In order to maintain its listing on the Singapore Exchange, the Company has to have share capital with at least a free float of 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury shares purchases mean it will automatically continue to satisfy that requirement, as it did throughout the year. Management received a report from the registrars frequently on substantial share interests showing the non-free float and it demonstrated continuing compliance with the 10% limit throughout the year.

19B. Treasury shares

	Company	
	Number of shares issued '000	Treasury shares $'000
At 1 July 2015	–	–
Additions	1,000	58
At 30 June 2016 and 2017	1,000	58

Treasury shares relate to ordinary shares of the Company held by the Company.

During the year ended 30 June 2016, the Company acquired 1,000,000 shares in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $58,000 and this was presented as a component within shareholders' equity. The fair value was $58,000 (Level 1).

<u>Capital management</u>

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. Management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. Management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

There are significant borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

The Group and the Company are in compliance with all externally imposed capital requirements for the reporting years ended 30 June 2016 and 2017.

20. OTHER RESERVES

20A. Translation reserve

Translation reserve comprises foreign exchange differences arising from translation of the financial statements of foreign operations where the functional currencies are different from the functional currency of the Company.

	Group	
	2017 $'000	2016 $'000
At beginning of year	9,458	108
Exchange differences on translating foreign operations	(2,859)	9,350
At end of year	6,599	9,458

20B. Revaluation reserve

	Group and Company	
	2017 $'000	2016 $'000
At beginning of year	504	–
Revaluation of property, plant and equipment	–	504
Transferred to retained earnings	(504)	–
At end of year	–	504

On the transfer of the owner-occupied property from property, plant and equipment to investment property that is carried at fair value, the change in fair value up to date of change in use is recognised as revaluation reserve. When the property is subsequently derecognised, the revaluation reserve is transferred to retained earnings.

21. OTHER FINANCIAL LIABILITIES

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Current				
Floating interest rate				
Bank borrowings (note 21A)	17,242	152	–	–
Fixed interest rate				
Bank borrowings (note 21A)	11,616	215	–	–
Derivative financial instruments (note 21B)	99	180	99	180
	28,957	547	99	180
Non-current				
Floating interest rate				
Bank borrowings (note 21A)	–	18,553	–	–
Fixed interest rate				
Bank borrowings (note 21A)	–	26,339	–	–
Derivative financial instruments (note 21B)	50	270	50	270
	50	45,162	50	270
	29,007	45,709	149	450

21. OTHER FINANCIAL LIABILITIES (cont'd)

21A. Borrowings

The exposure of the borrowings of the Group and the Company to interest rate changes and the contractual repricing dates at the end of the reporting years are as follows:

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Less than 12 months	28,858	367	–	–
1 – 5 years	–	44,892	–	–
	28,858	45,259	–	–

Securities

Total borrowings of $28,858,000 as at 30 June 2017 (2016: $45,259,000) are secured by specific assets of the Group valued at $67,020,000 (2016: $93,186,000) (note 16).

Interest rates

The interest rates paid were as follows:

	Group		Company	
	2017	2016	2017	2016
Bank borrowings (floating rate)	0.96% to 1.00%	1.08% to 2.29%	–	–
Bank borrowings (fixed rate)	1.07%	1.07%	–	–

Fair value of non-current borrowings

The fair value of non-current borrowings is a reasonable approximation of the carrying amount as they are floating rate instruments that are frequently re-priced to market interest rates.

21B. Derivative financial instruments

	Group and Company	
	2017 $'000	2016 $'000
Liabilities – Derivatives with negative fair value		
Currency swap contracts	149	450
Presented in statement of financial position as:		
Other financial liabilities – non-current	50	270
Other financial liabilities – current	99	180
	149	450

Movements during the year are as follows:

	2017 $'000	2016 $'000
Fair value at beginning of year	450	–
Additions	–	450
Settlement	(301)	–
Fair value at end of year	149	450

21. OTHER FINANCIAL LIABILITIES (cont'd)

21B. Derivative financial instruments (cont'd)

Currency swap contracts

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

	Reference currency	Level	Notional amount 2017 $'000	Notional amount 2016 $'000	Fair value 2017 $'000	Fair value 2016 $'000
Currency swaps	SGD	2	1,333	2,222	149	450

There are contractual agreements or currency swaps with other parties to exchange streams of payments over time based on specified notional amounts. The entity pays a specified amount in one currency and receives a specified amount in another currency. The currency swaps for which gross cash flows are exchanged are shown gross. The increases or decreases in the fair values of the foreign currency denominated financial assets and liabilities are partially offset by gains and losses on the economic hedging instruments.

22. TRADE AND OTHER PAYABLES

	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Outside parties	57	8	55	8
Subsidiary	–	–	10	–
Accrued expenses	618	1,613	369	543
	675	1,621	434	551

23. DIVIDENDS

	Rate per share – cents 2017 $'000	Rate per share – cents 2016 $'000	Fair value 2017 $'000	Fair value 2016 $'000
Interim exempt (1-tier) dividends paid	–	0.1	–	489

On 11 February 2016, the Company announced its unaudited half-year financial statements for the six-month period ended 31 December 2015 (the "Interim Announcement") and declared interim dividends of $489,000.

In the Interim Announcement, the statement of changes in equity of the Company stated that the Company had incurred a loss for the six months ended 31 December 2015 and, as of that date, the Company was also in an accumulated loss position.

In these financial statements, the interim dividends have been appropriated against accumulated losses, thereby increasing accumulated losses by the amount of $489,000.

The Company had sought legal advice on the declaration and payment of the interim dividends, including its right of recourse.

On 28 July 2017, the Company announced the settlement of the aforesaid matter and the Company received approximately $458,000 subsequent to the end of the reporting year.

24. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share:

	Group	
	2017 $'000	2016 $'000
Numerator: Loss attributable to equity holders of the Company		
Total basic and diluted earnings	(6,685)	(12,376)
	'000	'000
Denominator: Weighted average number of equity shares*		
Basic and diluted	489,000	489,495

* The weighted average number of equity shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

25. OPERATING LEASE PAYMENT COMMITMENTS – AS LESSEE

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Not later than one year	64	27	64	27
Later than one year and not later than five years	42	2	42	2
Rental expenses for the year	53	27	53	27

Operating lease payments are for rentals payable for certain premises and office equipment. The lease rental terms are negotiated for an average term of three years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

26. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases from commercial tenants are as follows:

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Not later than one year	288	271	–	–
Later than one year and not later than five years	–	1,083	–	–
Later than five years	–	541	–	–
Rental income for the year	4,866	4,742	–	–

Operating lease income commitments are for the investment properties.

Operating lease commitments that are generally cancellable in nature are not included in the table above. In line with the general practice in Japan's residential and commercial market, the majority of the leases for the investment properties are standard two-year leases for which the leases may be terminated upon one month's notice for residential tenants and six months' notice for commercial tenants.

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

27A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Financial assets				
Cash and cash equivalents	4,356	9,466	731	4,796
Loans and receivables	217	277	14	39
	4,573	9,743	745	4,835
Financial liabilities				
Derivative financial instruments at fair value through profit or loss	149	450	149	450
Other financial liabilities measured at amortised cost	28,858	45,259	–	–
Trade and other payables measured at amortised cost	675	1,621	434	551
	29,682	47,330	583	1,001

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statements of financial position.

27B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and actions to be taken in order to manage the financial risks. However these are not documented in formal written form. The guidelines include the following:

(i) Minimise interest rate, currency, credit and market risks for all kinds of transactions.

(ii) Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

(iii) All financial risk management activities are carried out and monitored by senior staff.

(iv) All financial risk management activities are carried out following acceptable market practices.

27C. Fair value measurement of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (cont'd)

27D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

Note 17 discloses the maturity of the cash and cash equivalents balances.

Ageing analysis of trade receivable amounts that are past due as at end of reporting year but not impaired:

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Less than 60 days	134	228	–	5
61 to 90 days	6	–	–	–
Over 90 days	–	2	–	–
	140	230	–	5

Ageing analysis of trade receivable amounts as at end of reporting year that are impaired:

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Over 90 days	18	32	–	28

Other receivables are normally with no fixed terms and therefore there is no maturity.

There is no concentration of credit risk with respect to trade receivables, as there are a large number of customers.

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (cont'd)

27E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year $'000	1 – 5 years $'000	Total $'000
2017			
Borrowings	29,470	–	29,470
Trade and other payables	675	–	675
	30,145	–	30,145
2016			
Borrowings	840	45,983	46,823
Trade and other payables	1,621	–	1,621
	2,461	45,983	48,444

Company	Less than 1 year $'000	1 – 5 years $'000	Total $'000
2017			
Trade and other payables	434	–	434
2016			
Trade and other payables	551	–	551

The following table analyses the derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group and Company	Less than 1 year $'000	1 – 5 years $'000	Total $'000
2017			
Gross settled			
Currency swap – gross payments	(988)	(494)	(1,482)
Currency swap – gross receipts	889	444	1,333
	(99)	(50)	(149)
2016			
Gross settled			
Currency swap – gross payments	(1,069)	(1,603)	(2,672)
Currency swap – gross receipts	889	1,333	2,222
	(180)	(270)	(450)

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is approximately 90 days (2016: 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statements of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (cont'd)

27F. Interest rate risk

The interest rate risk exposure is from changes in fixed rate and floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Financial liabilities				
Fixed rates	11,772	26,553	–	–
Floating rates	17,273	18,706	–	–
	29,045	45,259	–	–

The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on pre-tax profit is not significant.

27G. Foreign currency risks

Analysis of amounts denominated in non-functional currencies is as follows:

Group	JPY $'000	USD $'000	Total $'000
2017			
Financial assets			
Cash and cash equivalents	852	30	882
Net financial assets at end of year	852	30	882
2016			
Financial assets			
Cash and cash equivalents	190	336	526
Net financial assets at end of year	190	336	526

Company	JPY $'000	USD $'000	Total $'000
2017			
Financial assets			
Cash and cash equivalents	491	27	518
Net financial assets at end of year	491	27	518
2016			
Financial assets			
Cash and cash equivalents	190	333	523
Net financial assets at end of year	190	333	523

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis: The effect on pre-tax profit is not significant.

28. EVENTS AFTER END OF REPORTING YEAR

On 11 August 2017, the Group acquired 60% of the equity interests in Global Entertainment Media Pte Ltd ("GEM"), a company incorporated in Singapore, for total consideration of $53,500,000. GEM owns 100% of the equity interests in Linyi Yin Sheng Wen Hua Mei Ti Co., Ltd. ("Linyi Yin Sheng"), an entity established in the People's Republic of China ("PRC"). Linyi Yin Sheng, in turn, owns 80% of the equity interests in Fei County Wonder Stone Characteristic Town Development Co., Ltd ("Fei County Wonder Stone"), an entity established in the PRC. Fei County Wonder Stone holds the operating rights to Wonder Stone Park, which is located in Shandong Province of the PRC, and also owns a hotel situated in Wonder Stone Park. At the date of the issue of these financial statements, the accounting purchase price allocation process is not yet completed. The Group believes that this acquisition will give the opportunity to expand the Group's core business of property investment and development, and is also in line with its strategic plans to build up a diversified portfolio of well-located properties that are able to generate stable recurrent income.

On 22 August 2017, the Group issued 300,000,000 new ordinary shares, at an issue price of $0.125 per share, to certain parties pursuant to a subscription agreement as announced by the Company on 23 May 2017.

29. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised Financial Reporting Standards in Singapore and the related INT FRS were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Amendments to FRS 1: Disclosure Initiative

30. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years new or revised Financial Reporting Standards in Singapore and the related INT FRS were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 7	Amendments to FRS 7: Disclosure Initiative	1 Jan 2017
FRS 12	Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2018
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116	Leases	1 Jan 2019

Statistics of Shareholding

As at 31 August 2017

Class of equity securities	:	Ordinary Shares
Number of issued shares	:	790,000,000
Number of issued shares excluding treasury shares and subsidiary holdings	:	789,000,000
Voting rights	:	One vote per share

Treasury shares and subsidiary holdings

Number of treasury shares	:	1,000,000
Number of subsidiary holdings	:	–
Percentage of treasury shares against the total number of issued shares excluding treasury shares and subsidiary holdings	:	0.13%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares (excluding treasury shares)	%
1 – 99	0	0.00	0	0.00
100 – 1,000	22	3.97	13,575	0.00
1,001 – 10,000	71	12.79	427,000	0.05
10,001 – 1,000,000	404	72.79	75,329,600	9.55
1,000,001 and above	58	10.45	713,229,825	90.40
Total	**555**	**100.00**	**789,000,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Wee Henry	136,989,525	17.36	–	–
Li Shanhua	100,000,000	12.67	–	–
Sun Xiaohui	80,000,000	10.14	–	–
Evercore Multi-Strategy Global Ltd ("**Evercore**")	60,000,000	7.60	–	–
Lee Suh Mun [(1)]	–	–	60,000,000	7.60
Sino Achieve Enterprises Limited ("**Sino**")	60,000,000	7.60	–	–
Wong Koon Lup [(2)]	4,300,000	0.55	60,000,000	7.60

Notes:

(1) Ms Lee Suh Mun is the legal and beneficial owner of Evercore and is deemed to have an interest in the 60,000,000 shares held by Evercore.

(2) Mr Wong Koon Lup is the legal and beneficial owner of Sino and is deemed to have an interest in the 60,000,000 shares held by Sino.

Statistics of Shareholding

As at 31 August 2017

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Wee Henry	128,925,925	16.34
2.	Li Shanhua	100,000,000	12.67
3.	Sun Xiaohui	80,000,000	10.14
4.	Evercore Multi-Strategy Global Ltd	60,000,000	7.60
5.	Sino Achieve Enterprises Limited	60,000,000	7.60
6.	Maybank Kim Eng Securities Pte Ltd	27,197,600	3.45
7.	Raffles Nominees (Pte) Limited	24,407,600	3.09
8.	OCBC Securities Private Limited	23,959,600	3.04
9.	Bong Yew Keng (Huang Youqing)	16,914,600	2.14
10.	Quek Chek Lan	12,926,300	1.64
11.	Yong Chor Ken	10,300,000*	1.31*
12.	Yeo Wee Kok	10,051,600	1.27
13.	Evancarl & Co Pte Ltd	10,000,000	1.27
14.	United Overseas Bank Nominees (Private) Limited	9,498,000	1.20
15.	Ng Khim Guan @Ngadimin	9,000,000	1.14
16.	Citibank Nominees Singapore Pte Ltd	8,898,600	1.13
17.	Eva Meisanti Ong	8,320,700	1.05
18.	Wang Zhaoping	8,000,000	1.01
19.	Goh Seng Moh	7,100,000	0.90
20.	Lim Boon Kiat (Lin Wenjie)	6,000,000	0.76
	Total	**621,500,525**	**78.75**

* *Mr Yong Chor Ken has on 29 August 2017 and 30 August 2017 disposed 1,730,000 and 870,000 shares respectively (the "**Disposal**") and such number of shares has not been entered in the Depository Register as of 31 August 2017. As such, the number of shares and the percentage are computed prior to the Disposal.*

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

42.76 % of the Company's shares is held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Imperium Crown Limited (the "**Company**") will be held at Singapore Polytechnic Graduates' Guild, Poolside Events Room, Level 1, 1010 Dover Road, Singapore 139658 on Friday, 6 October 2017, at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2017 together with the Auditors' Report thereon.

(Resolution 1)

2. To re-elect the following Directors of the Company retiring pursuant to Articles 117 and 122 of the Constitution of the Company:

Mr Chen Yeow Sin	(Retiring under Article 117)	**(Resolution 2)**
Mr Poh Wee Chiow, Roger	(Retiring under Article 117)	**(Resolution 3)**
Ms Pok Mee Yau	(Retiring under Article 122)	**(Resolution 4)**

Mr Chen Yeow Sin will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees respectively, and will be considered independent.

Mr Poh Wee Chiow, Roger will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees respectively, and will be considered independent.

Ms Pok Mee Yau will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees respectively, and will be considered independent.

3. To approve the payment of Directors' fees of S$221,000 for the financial year ending 30 June 2018, payable quarterly in arrears (2017: S$136,000).

(Resolution 5)

4. To re-appoint Messrs RSM Chio Lim LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 6)

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

AS SPECIAL BUSINESS

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

6. **Authority to allot and issue new shares**

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

(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into shares,

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

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

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

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

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

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (i)]

(Resolution 7)

7. **Proposed Renewal of the Share Buy-Back Mandate**

That:

(a) pursuant to Section 76C and 76E of the Companies Act, Cap. 50 of Singapore ("**Companies Act**"), and Part XI of Chapter 8 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchases through the ready market of the SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose (the "**On-Market Share Buy-Back**"); and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules (the "**Off-Market Share Buy-Back**");

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Buy-Back Mandate**");

(b) any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with the Companies Act;

(c) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the proposed Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; and

(iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting;

(d) in this resolution:

"**Maximum Limit**" means the number of Shares representing ten per centum (10%) of the total issued ordinary share capital of the Company ascertained as at the date of the passing of this resolution unless the Company has effected a reduction of the ordinary share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period (as defined hereinafter), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last Annual General Meeting of the Company was held and expiring on the date the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier, or until it is varied or revoked by the Company in a general meeting, after the date of the passing of this resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Buy-Back, one hundred and five per centum (105%) of the Average Closing Price; and

(ii) in the case of an Off-Market Share Buy-Back, one hundred and fifteen per centum (115%) of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days on which the Shares were transacted on the SGX-ST preceding the day of the On-Market Share Buy-Back or, as the case may be, the day of the making of the offer pursuant to an Off-Market Share Buy-Back, as deemed to be adjusted for any corporate action that occurs after the relevant five (5) market day period; and

(e) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.

[See Explanatory Note (ii)]

(Resolution 8)

8. **Proposed Renewal of the General Mandate for the Potential Divestment of the Remaining Japanese Properties**

That:

(a) approval be and is hereby given, including for the purposes of Section 160 of the Companies Act, Cap. 50 of Singapore ("**Companies Act**") and Rule 1014 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited, to the Company to dispose of two (2) properties namely (i) Green Forest Itabashi located at 10-2 and part of 10-1, Honcho, Itabashi-ku, Tokyo; and (ii) Hatchobori Place located at 9-1 Irifune 1-chome, Chuo-ku, Tokyo (collectively, the "**Remaining Japanese Properties**") and to grant option(s) for the sale of the Remaining Japanese Properties by the Company in accordance with the terms of the Divestment Mandate (as defined below) as set out in the Appendix to the Notice of Annual General Meeting;

(b) any Directors of the Company be authorised to negotiate with each buyer on a "willing-buyer-willing-seller" basis and on arms-length commercial terms and make such amendments to the terms of each option granted in accordance with the terms of the Divestment Mandate;

(c) the Directors of the Company and each of them be and is/are hereby authorised and empowered to complete and to do all such acts and things, and to approve, amend, modify, supplement and execute such documents, as they may consider necessary or expedient in connection with any of the aforesaid transactions or to give effect to any of the aforesaid transactions, and generally to do all such things as he/she deems necessary or expedient for all the foregoing purposes; and

(d) in this resolution, "**Divestment Mandate**" means the general mandate from shareholders of the Company to divest its Japanese property portfolio in its entirety, which the Company obtained on 20 January 2017 and the terms of which can be found in the section entitled "The Proposed Renewal of the Divestment Mandate" contained within the Appendix to the Notice of Annual General Meeting.

[See Explanatory Note (iii)]

(Resolution 9)

By Order of the Board

Kiar Lee Noi
Secretary
Singapore, 21 September 2017

Explanatory Notes:

(i) The Ordinary Resolution 7 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro-rata* basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) The Ordinary Resolution 8 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to purchase or otherwise acquire issued ordinary Shares of the Company by way of On-Market Share Buy-Backs or Off-Market Share Buy-Backs of up to the Maximum Limit at the Maximum Price in accordance with the terms and conditions set out in the Appendix to the Notice Annual General Meeting, the Companies Act and Catalist Rules of the SGX-ST. Please refer to the Appendix to the Notice of Annual General Meeting for more details.

(iii) The Ordinary Resolution 9 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to dispose of the Remaining Japanese Properties in accordance with the terms of the Divestment Mandate as set out in the Appendix to the Notice of Annual General Meeting. Please refer to the Appendix to the Notice of Annual General Meeting for more details.

Notice of Annual General Meeting

Notes:

1. A member of the Company, who is not a Relevant Intermediary (as defined below), is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Annual General Meeting (the "**Meeting**"). A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.

2. A member who is a Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member (which number and class of shares shall be specified).

   "**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50 of Singapore.

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

4. The duly executed instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Commonwealth Lane, #06-20 One Commonwealth, Singapore 149544 not less than seventy-two (72) hours before the time appointed for holding the Meeting.

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

6. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289 of Singapore) maintained by The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting.

Personal Data Privacy:

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

IMPERIUM CROWN LIMITED
(Company Registration No.: 199505053Z)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. A Relevant Intermediary may appoint more than two (2) proxies to attend the Annual General Meeting of the Company ("**AGM**") and vote (please see note 4 for the definition of "**Relevant Intermediary**").
2. For investors who have used their Central Provident Fund ("**CPF**") monies ("**CPF Investors**") and/or monies in the Supplementary Retirement Scheme ("**SRS**") accounts ("**SRS Investors**") to buy the Company's shares, this proxy form is not valid for use and shall be ineffective for all intents and purpose if used or purported to be used by them.
3. CPF Investors and SRS Investors may attend and cast their votes in person at the AGM. If they are unable to attend but wish to vote, they may contact their CPF/SRS Approved Nominees to appoint Chairman of the AGM to act as their proxy, in which case, the CPF/SRS Investors shall be precluded from attending the meeting.

I/We, ____

of ____

being a member/members of **Imperium Crown Limited** (the "**Company**"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the AGM as my/our* proxy/proxies* to vote for me/us* on my/our behalf* at the AGM to be held on Friday, 6 October 2017, at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our proxy/proxies* to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	No. of Votes For [1]	No. of Votes Against [1]
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2017		
2	Re-election of Mr Chen Yeow Sin as a Director		
3	Re-election of Mr Poh Wee Chiow, Roger as a Director		
4	Re-election of Ms Pok Mee Yau as a Director		
5	Approval of Directors' fees amounting to S$221,000 for the financial year ending 30 June 2018, payable quarterly in arrears		
6	Re-appointment of Messrs RSM Chio Lim LLP as the Auditors of the Company		
7	Authority to allot and issue new shares		
8	Proposed Renewal of the Share Buy-Back Mandate		
9	Proposed Renewal of the General Mandate for the Potential Divestment of the Remaining Japanese Properties		

(1) *If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this _______ day of ____________________________ 2017

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

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* *Delete where inapplicable*

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289)), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company (other than a Relevant Intermediary) entitled to attend and vote at the AGM is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member of the Company (other than a Relevant Intermediary) appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A member of the Company who is a Relevant Intermediary entitled to attend the AGM and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Commonwealth Lane, #06-20 One Commonwealth, Singapore 149544 not less than seventy-two (72) hours before the time appointed for the AGM.

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

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 21 September 2017.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

IMPERIUM
CROWN

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