

EMERGING
STRONGER

IMPERIUM CROWN LIMITED

ANNUAL REPORT 2021



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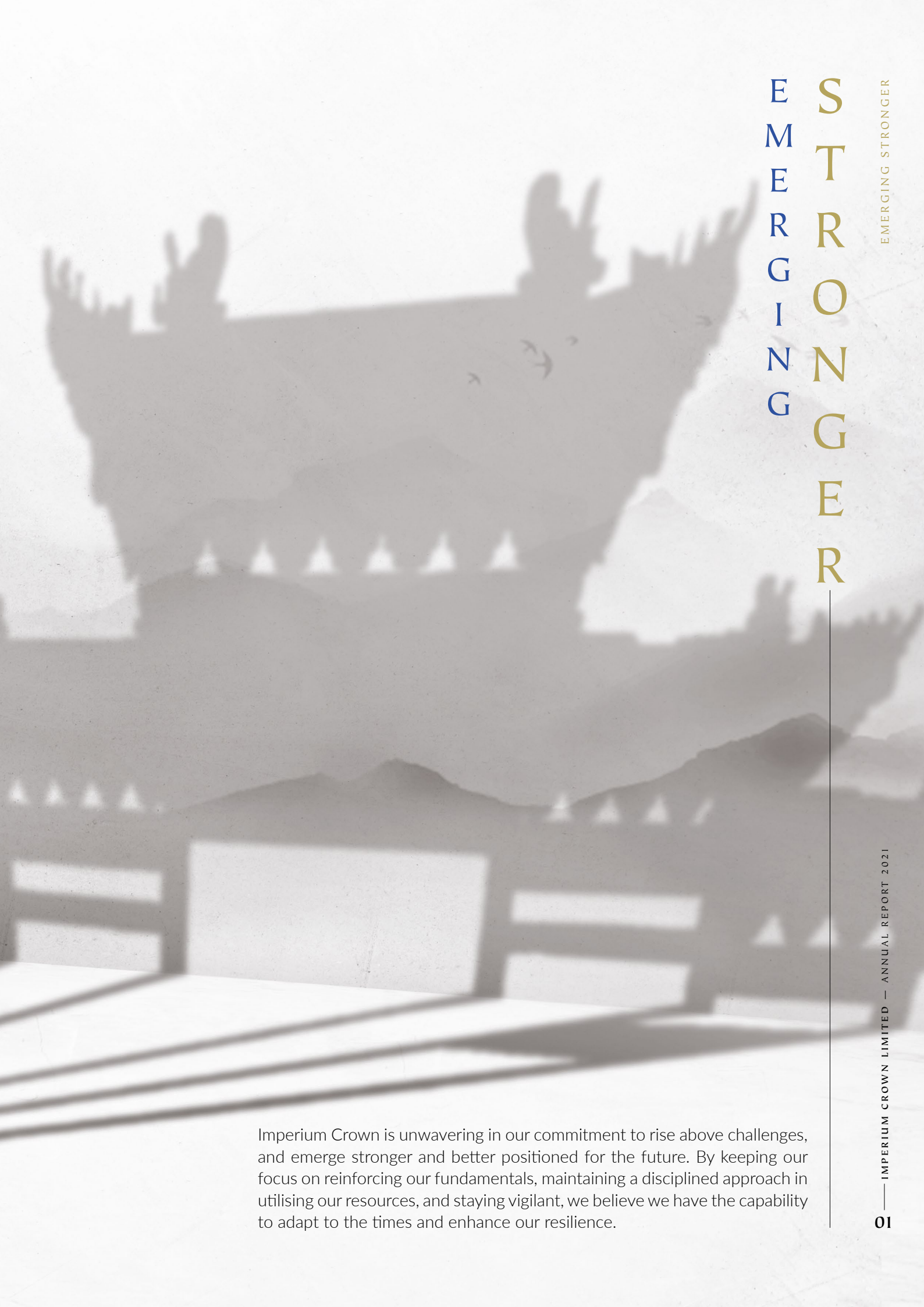
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This annual report has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**").

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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EMERGING STRONGER

EMERGING STRONGER

Imperium Crown is unwavering in our commitment to rise above challenges, and emerge stronger and better positioned for the future. By keeping our focus on reinforcing our fundamentals, maintaining a disciplined approach in utilising our resources, and staying vigilant, we believe we have the capability to adapt to the times and enhance our resilience.

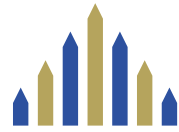
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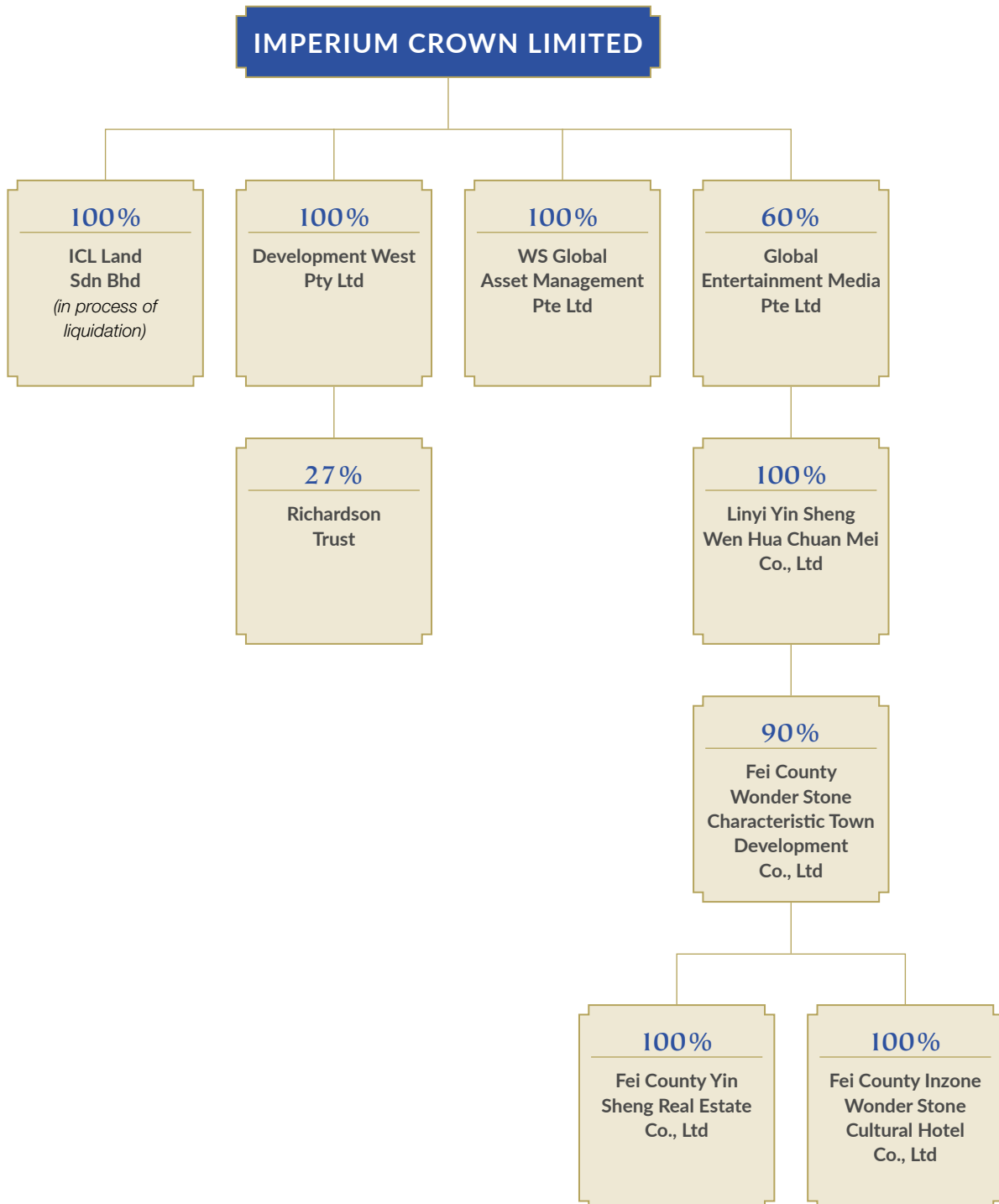
Driven and determined, Imperium Crown continues to focus on fortifying our fundamentals, enhancing our resilience and prioritising the well-being of our people and stakeholders as we brave volatile market conditions.



GROUP STRUCTURE



IMPERIUM CROWN



LETTER TO SHAREHOLDERS



Dear Shareholders,

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 2021 (“**FY2021**”).

INVESTMENTS

FY2021 continued to be a challenging year for the Group. The 2019 Novel Coronavirus (“**COVID-19**”) pandemic has continued to cast a shadow on businesses globally. While vaccination programmes continue to be rolled out worldwide, the emergence of new variants led to the re-implementation of lockdown measures in many parts of the world in a bid to contain COVID-19. The People’s Republic of China (the “**PRC**”) in general has also been affected and businesses continue to face uncertainties.

“We will continue to develop our tourist attractions, targeting the population residing within an hour’s drive as well as working with tour agencies to bring more visitors to the WSP.”

Amidst a disruptive environment, our hotel at the Wonder Stone Park (the “**WSP Hotel**”) has continued its operations. While operations at the WSP Hotel were suspended from January 2020 to March 2020 following the outbreak of COVID-19 within the PRC, it was able to gradually resume operations thereafter with safety measures in place. The WSP Hotel subsequently experienced an increase in hotel room bookings, seminar bookings as well as banquet events in FY2021 as compared to that in financial year ended 30 June 2020.

We have also commenced the development of the Hongyun Lake Project subsequent to FY2021 within the Wonder Stone Park (the “**WSP**”) on its plot of land previously acquired. With a land area of 13,409 square metres, the commercial project will comprise retail and food and beverage outlets and will have a built-up area of approximately 20,822 square metres with 13 3-storey blocks to be developed over the next 3 years. The Group is excited about the commencement of the Hongyun Lake Project and is confident of its prospects.

OUTLOOK

The Group continues to build on the foundations that it had put in place. Amidst the backdrop of COVID-19 and the emergence of new variants, uncertainties remain in place. Notwithstanding, we will continue to develop our tourist attractions, targeting the population residing within an hour’s drive as well as working with tour agencies to bring more visitors to the WSP. The ease of accessibility of the WSP has also been enhanced with the high speed rail station at Feixian situated within five kilometres from the WSP. The Hongyun Lake Project has also kick-started our maiden property development project. As we grapple with COVID-19 in the short-term, we remain optimistic of the future of the WSP in the long-run.

ACKNOWLEDGEMENTS

On behalf of our board of directors, we would like to thank our stakeholders, business partners and especially to you, our dear shareholders, for your unwavering support throughout the course of this financial year. Under the stewardship of the board of directors and our management team, we will continue to work hard and are confident that we will harvest the fruits of our investments together going forward.

Yours truly,

Sun Bowen
Executive Chairman

致股东函



致尊敬的股东们：

我谨代表董事会成员，向各位呈交新加坡皇冠有限公司及其子公司（以下简称“**本公司**”或“**本集团**”）截至2021年6月30日财政年度（“**2021财政年度**”）的年度报告。

投资方面

2021财政年度依然是个具有挑战性的年度。2019年新型冠状病毒肺炎（“**新冠肺炎**”）仍然笼罩着对全球企业的运营。虽然各地纷纷推出接种疫苗的防疫措施，病毒种的出现导致许多国家重新启动预防措施，以便控制病毒的传播。中华人民共和国（“**中国**”）大体上也受到影响，给中国国内企业的运作带来许多不确定因素。

“本集团会继续进行旅游业态开发计划，以便吸引更多居住在景区一小时交通圈之内的游客，也同时加强跟旅游团队的合作，将更多的旅客带入奇石城景区。”

尽管如此，本集团所持有的中华奇石城的酒店（“**奇石公园文化酒店**”）继续运作。即便奇石公园文化酒店自2020年1月致2020年3月因新冠肺炎在中国蔓延的原因而暂停营业，奇石公园文化酒店随后允许逐渐恢复运作。与2020财政年度相比，奇石公园文化酒店在2021财政年度的住客率，会议室出租以及婚庆宴会方面享有明显的增长。

与此同时，本集团在之前所采购的土地启动了红云文湖文旅发展项目。该项目的土地坐落在中华奇石城景区之内，土地面积为13,409平方米，预计建筑面积约为20,822平方米，并将在未来3年发展13座3层高的楼层。本集团非常期待红云文湖文旅发展项目，对该项目的前景也充满信心。

前景

本集团继续在其已建立的基础上再接再厉。在新冠肺炎持续蔓延及新型变种病毒诞生的笼罩下，不确定因素仍然存在。即便如此，本集团会继续进行旅游业态开发计划，以便吸引更多居住在景区一小时交通圈之内的游客，也同时加强跟旅游团队的合作，将更多的旅客带入奇石城景区。随着距离景区不到五公里的费县高铁站的开通，中华奇石城的通达性也得到明显的提升。总体而言，虽然本集团受到新冠肺炎在短期内的冲击，我们对中华奇石城的未来持乐观态度。

致谢

我们谨代表我们的董事会，感谢我们的利益相关人、业务合作伙伴，特别是我们各位亲爱的股东们，在本财政年度期间给予我们坚定不移的支持。在董事会和我们的管理团队的领导下，我们将继续努力工作，并有信心在未来的日子里，共同收获我们的投资成果。

孙伯文

执行主席

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Committed to long-term stability and growth, Imperium Crown will be proactive, prudent and vigilant as we seek and evaluate new opportunities that will strengthen our position and ensure our business sustainability.

FINANCIAL REVIEW

OPERATING RESULTS

The Group's revenue for the financial year ended 30 June 2021 ("FY2021") was S\$2.429 million compared to S\$1.487 million for the financial year ended 30 June 2020 ("FY2020").

While the Group's revenue continued to be mainly derived from its management of the Wonder Stone Park (the "WSP") and the Wonder Stone Hotel (the "WSP Hotel"), the increase was primarily due to the operation of the WSP Hotel for the entire FY2021 compared to 9 months for FY2020 after the WSP Hotel officially commenced operations in late September 2019. In addition, the operations at the WSP Hotel in FY2020 were also suspended from January 2020 to March 2020 following the outbreak of COVID-19 within the People's Republic of China (the "PRC"). Subsequently, the WSP Hotel was able to gradually resume operations, albeit with safety measures in place, and experienced improvements in hotel room bookings, seminar bookings as well as banquet events in FY2021. That led to an increase in revenue in FY2021 compared to FY2020.

Other income decreased by S\$0.423 million from S\$0.486 million in FY2020 to S\$0.063 million in FY2021 mainly due to the absence of a S\$0.4 million one-off government subsidy income previously received from Fei County government by our subsidiary in the PRC in relation to the increased investment from our Singapore head office to our PRC subsidiary in FY2020.

Depreciation and amortisation expenses increased by S\$0.374 million from S\$3.527 million in FY2020 to S\$3.901 million in FY2021 mainly due to the depreciation of the WSP Hotel for the entire FY2021, compared to FY2020 where the WSP Hotel was subject to depreciation for 9 months following its commencement of operations in late September 2019. In addition, in FY2021, there were also additions of property, plant and equipment ("PPE") to the WSP Hotel, which resulted in an increase in depreciation.

Employee benefits expense remained relatively consistent and had decreased by S\$0.040 million from S\$1.385 million in FY2020 to S\$1.345 million in FY2021.

Other operating expenses decreased by S\$0.239 million from S\$10.398 million in FY2020 to S\$10.159 million in FY2021 mainly due to an impairment allowance of S\$6.3 million recognised in FY2021 compared to S\$7.488 million recognised in FY2020. Excluding the impairment allowance recognised, other operating expenses increased by S\$0.949 million in FY2021 compared to FY2020. The increase is mainly due to the loss on disposal of PPE of S\$1.213 million and an increase in allowance for impairment loss on trade receivables.

Allowance for impairment loss on trade receivables is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking



FINANCIAL REVIEW



estimate. At the end of FY2021, the historical observed default rates were updated and changes in the forward-looking estimates were analysed. A loss allowance balance of S\$0.118 million for the Group for FY2021 was recognised (compared to S\$0.026 million for FY2020).

Loss on disposal of PPE of S\$1.213 million was mainly due to the disposal of a building that was no longer in use.

Consistent with prior years, an assessment for impairment for PPE and other intangible assets, goodwill (at Group level) and investment in subsidiaries (at Company level) was performed. In FY2021, the Company prepared a discounted cash flow (“DCF”) analysis based on the value-in-use (“VIU”) approach and assessed that an impairment allowance of S\$6.3 million was recognised at Group level. The DCF analysis considered, among other matters, the commencement of the Group’s development project in the WSP (the “**Hongyun Lake Project**”) in July 2021, as well as the impact of COVID-19 on the development timeline for the rest of the WSP.

Consistent with the preceding year, finance costs incurred for FY2021 relate to the adoption of SFRS(I) 16 Leases (“**SFRS(I)16**”) in FY2020. Accordingly, the operating leases which the Group has entered into are examined and a finance cost is computed for FY2021. The value of the remaining lease period beyond FY2021 is recognised in non-current assets and a corresponding liability is recognised in non-current liabilities.

Income tax benefit comprised 25% deferred tax liabilities on the amortisation of the fair value of WSP operating rights over 50 years. Following the impairment of the property development rights, the deferred tax benefit which had been computed previously on the property development rights had correspondingly increased.

Exchange differences on translating foreign operations increased from S\$0.012 million in FY2020 to S\$0.391 million in FY2021 mainly due to the higher fluctuation of exchange rates in FY2021 compared to FY2020.

Overall, the net loss for FY2021 was S\$10.559 million, compared to a net loss of S\$12.852 million in FY2020.

FINANCIAL POSITION AND CASHFLOW OF THE GROUP

Overall, non-current assets decreased by S\$9.59 million from S\$132.401 million as at 30 June 2020 to S\$122.811 million as at 30 June 2021.

PPE at the Group level of S\$19.493 million as at 30 June 2021 had decreased by \$1.248 million compared to \$20.741 million as at 30 June 2020 due to depreciation which is partially offset by additions.

PPE at the Company level increased following the adoption of SFRS(I)16 where the remaining lease period of the operating leases which the Company has entered into was recognised as an asset.

FINANCIAL REVIEW

Intangible assets of S\$103.318 million as at 30 June 2021 relate mainly to the 50 years of property development rights that the Group holds over the WSP and had decreased by S\$8.342 million mainly due to amortisation and the impairment allowance amounting to S\$6.3 million.

At the Company level, investments in subsidiaries decreased by S\$7.072 million following the assessment for impairment exercise as elaborated under other operating expenses in the preceding paragraphs.

The loan receivable from a subsidiary at the Company level decreased from S\$3.911 million as at 30 June 2020 to S\$3.311 as at 30 June 2021 following the repayment from a subsidiary in December 2020. This amount is interest-free and is repayable in March 2028.

Overall, current assets decreased by S\$1.068 million from S\$2.976 million as at 30 June 2020 to S\$1.908 million as at 30 June 2021.

Notwithstanding that the WSP Hotel commenced operations during FY2020, the development of the WSP is being undertaken in phases. The WSP was not fully operational in FY2021. This led to a decrease in cash and cash equivalents from S\$0.737 million as at 30 June 2020 to S\$0.321 million as at 30 June 2021. The decrease was mainly due to administrative expenses incurred by the PRC subsidiaries of approximately S\$0.3 million as well as the administrative expenses incurred by the Company of approximately S\$1.3 million as a listed entity.

Trade and other receivables decreased from S\$2.239 million as at 30 Jun 2020 to S\$1.587 million as at 30 Jun 2021. This is mainly due to a decrease in receivables from corporate clients of the WSP Hotel.

Non-current liabilities decreased by S\$2.325 million from S\$26.371 million as at 30 June 2020 to S\$24.046 million as at 30 June 2021.

Consistent with preceding financial years, deferred tax liabilities of S\$24.014 million relate to the 25% deferred tax (PRC tax) on the fair value of the 50 years of property development rights.

Following both the amortisation and impairment of the property development rights, the deferred tax liabilities which had been computed previously on the property development rights had correspondingly decreased.

Current liabilities increased by S\$1.835 million from S\$16.461 million as at 30 June 2020 to S\$18.296 million as at 30 June 2021. This was mainly due to increase in other payables of approximately S\$2.2 million arising from the advances from companies related to our Executive Chairman.

Following the adoption of SFRS(I)16 in FY2020, the operating leases which the Group has entered into are examined and a finance cost is computed for FY2021. The value of the remaining lease period beyond FY2021 is recognised in non-current assets and a corresponding liability of S\$45,000 is recognised in current liabilities as lease liability.



FINANCIAL REVIEW



Notwithstanding that the WSP Hotel commenced operations during FY2020, the development of the WSP is being undertaken in phases, and the WSP was not fully operational in FY2021. This led to a negative working capital of S\$16.388 million as at 30 June 2021 as compared to S\$13.485 million as at 30 June 2020. The increase was mainly due to increase in other payables of approximately S\$2.2 million arising from the advances from companies related to our Executive Chairman, and the administrative expenses incurred by the Company of approximately S\$1.3 million as a listed entity. The Group is able to meet its working capital needs in view of the undertaking by companies related to its Executive Chairman to provide continued financial support as required to meet its liabilities as and when they fall due and subordinate the claim of the amount owing to companies related to its Executive Chairman to those of the other creditors and not to demand payment from the Group until the Group is in a financial position to do so. In addition, management will continue its efforts to improve its financial position.

Net cash flows used in operating activities was S\$2.436 million as at 30 June 2021 as compared to net cash flow used in operating activities amounting to S\$0.885 million as at 30 June 2020. The increase was mainly due to a decrease in trade and other receivables as well as an increase in trade and other payables in the FY2021.

Net cash flows used in investing activities was S\$0.203 million as at 30 June 2021 as compared to net cash flows used in investing activities S\$3.149 million as at 30 June 2020. The decrease was mainly due to lower additions of PPE following the commencement of operations of the WSP Hotel in FY2020.

Net cash flows from financing activities was S\$2.223 million as compared to S\$2.461 million as at 30 June 2020. This was mainly due to advances from a related party.

OUTLOOK

The re-emergence of COVID-19 recently in the PRC has dampened domestic consumer sentiments and affected the gradual recovery into normalcy. The authorities have also reinstated a number of containment measures which will affect the movement of people within the PRC. International travel restrictions continue to be in place and the domestic travelling of residents within the PRC is expected to decline. Faced with an envisaged decrease in the number of work and leisure travellers coupled with short-term restrictions on banquet events imposed by the authorities, the operations of the WSP Hotel are expected to be affected in the short term. Notwithstanding, the Company will continue to develop its tourist attractions, targeting the population residing within an hour's drive as well as working with tour agencies to bring more visitors to the WSP. The ease of accessibility of the WSP has also been enhanced with the high speed rail station at Feixian situated within five kilometres from the WSP. The Group will continue to monitor the situation closely and take the necessary measures to safeguard the interests of its employees and the Group.

The Company has recently commenced the development of the Hongyun Lake Project within the WSP on its plot of land previously acquired. With a land area of 13,409 square metres, the commercial project will have a built-up area of approximately 20,822 square metres with 13 3-storey blocks to be developed over the next 3 years.

On the proposed development and operation of an "ESCAPE" theme park, there have been delays due to the re-emergence of COVID-19 in the PRC. Discussions with the PRC regulatory authorities continue to be underway.

BOARD OF DIRECTORS



SUN BOWEN

Executive Chairman

Mr Sun is our Executive Chairman. He joined the Board on 22 November 2017 as Non-Executive Director and was re-designated to Executive Director on 22 February 2018 and subsequently re-designated to Executive Chairman on 1 March 2019. He is responsible for the implementation of the Group's strategies to improve overall corporate performance and the achievement of the Group's goals in The People's Republic of China (the "PRC"). Mr Sun also works closely with the Board in evaluating and developing new business opportunities to ensure continuous growth of the Group.

Mr Sun graduated from the Qingdao University of Science & Technology with a degree in Chemical Engineering. He was an executive director of Fabchem China Limited, a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited from 2006 to 2018 before he was re-designated to Non-Executive and Non-Independent Director in 2018, a position that he has since held.



TAN KENG KEAT

Executive Director and 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. He was also appointed as the Acting Chief Executive Officer on 24 January 2018, a position he had held until 6 October 2021 where he relinquished the position and joined the Board as an Executive Director. His key responsibilities include assisting the Board in the Group's business development activities and capital management strategy, overall financial reporting, compliance to listing requirements and management of the finance functions of the Group.

An experienced accountant with over 20 years of experience in the financial sector, Mr Tan 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.

BOARD OF DIRECTORS



WEE PHUI GAM

Lead Independent Director

Mr Wee joined the Board on 19 October 2017 as Lead Independent Director and is the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

Mr Wee is a practising Chartered Accountant of Singapore. He has been the sole proprietor of P G Wee & Partners since 1984. P G Wee & Partners was converted to P G Wee Partnership LLP ("**P G Wee**"), an Accredited Training Organisation, in January 2013. He is also the managing partner of Y.C. Lee & Co ("**Y.C. Lee**"), a position he has held since 1990. P G Wee and Y.C. Lee are public accounting firms in Singapore. Mr Wee is also an independent director of Fabchem China Limited, a company listed on the mainboard of the Singapore Exchange Securities Trading Limited. Mr Wee was also appointed as the Acting Chairman of Fabchem China Limited on 2 September 2018. Mr Wee started his career in 1978 as an audit assistant with Foo, Kon & Tan, a public accounting firm in Singapore. Shortly after, he joined Peat Marwick Mitchell & Co, an international accounting firm as an audit assistant, becoming a Manager when he left in 1984.

Mr Wee holds a Bachelor of Accountancy degree from the University of Singapore, a Fellow Member of the Institute of Chartered Accountants of Singapore and is an Accredited Tax Advisor (Income Tax & GST).



HAU KHEE WEE

Independent Director

Mr Hau joined the Board on 19 October 2017 as Independent Director and is the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee.

Mr Hau is currently the Chief Financial Officer of Yifan International and Scigen Pte Ltd which are part of Yifan Pharmaceutical Co., Ltd that manufactures and sells pharmaceutical products. He was the Finance Director of Go Game Pte Ltd from October 2018 to September 2019 and was the Greater China Financial Controller of Fullerton Healthcare Corporation Limited from April 2016 to September 2018. From May 2007 to March 2016, he was an Executive Director (with effect from 26 December 2007) and Chief Financial Officer of China Kunda Technology Holdings, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited. From 2000 to 2007, he held a senior financial position in China Powerplus Limited and was an auditor with Ernst & Young.

Mr Hau is currently also an independent director of China Kunda Technology Holdings, a member of the supervisory board of Bioton S.A., a company listed on the Warsaw Stock Exchange, and a non-practising member of Institute of Singapore Chartered Accountants. He graduated as a Bachelor of Accountancy from Nanyang Technological University of Singapore in 2000.

BOARD OF DIRECTORS



DR DANNY OH BENG TECK

Independent Director

Dr Oh is the Group's Independent Director. He joined the Board on 1 December 2017 as Independent Director and is a member of the Audit, Nominating and Remuneration Committees.

Dr Oh is currently the Managing Director of Cambrian Group of companies which is involved in geotechnical instrumentation, geophysical surveys, training and laboratory calibration services.

Dr Oh is a qualified geologist, trainer, arbitrator, adjudicator, mediator and expert witness and holds a PhD from the University of South Australia. He is a Fellow of the Geological Society, and a Member of the Geological Society of Malaysia.

SENIOR MANAGEMENT



SUN BOWEN

Executive Chairman

Please refer to page 13.



TAN KENG KEAT

Executive Director and Chief Financial Officer

Please refer to page 13.

CORPORATE INFORMATION

DIRECTORS

Sun Bowen

Executive Chairman

Tan Keng Keat

Executive Director (*Appointed on 6 October 2021*)
and Chief Financial Officer

Wee Phui Gam

Lead Independent Director

Hau Khee Wee

Independent Director

Dr Danny Oh Beng Teck

Independent Director

AUDIT COMMITTEE

Wee Phui Gam (Chairman)

Hau Khee Wee

Dr Danny Oh Beng Teck

NOMINATING COMMITTEE

Hau Khee Wee (Chairman)

Wee Phui Gam

Dr Danny Oh Beng Teck

REMUNERATION COMMITTEE

Hau Khee Wee (Chairman)

Wee Phui Gam

Dr Danny Oh Beng Teck

COMPANY SECRETARY

Lau Yan Wai

(*Appointed on 3 March 2021*)

REGISTERED OFFICE

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Website: www.imperium-crown.com

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Singapore 049315

AUDITORS

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8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095

AUDIT PARTNER-IN-CHARGE

Ng Thiam Soon

(*Appointed since financial year ended 30 June 2018*)

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.

(*formerly known as RHT Corporate Advisory Pte. Ltd.*)
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CORPORATE GOVERNANCE REPORT AND FINANCIAL STATEMENTS

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CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**” or “**Directors**”) and the management (the “**Management**”) of Imperium Crown Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) recognises the importance of corporate governance and are committed to ensuring the practices recommended in the Code of Corporate Governance 2018 (the “**Code**”) are practiced by the Group. The Company believes that good corporate governance provides the framework for an ethical and accountable corporate environment that will maximise long term shareholders’ value and protect the interests of shareholders.

This report outlines the Company’s corporate governance practices that were in place during the financial year ended 30 June 2021 (“**FY2021**”), with specific reference made to the principles and the provisions of the Code and accompanying Practice Guidance, which forms part of the continuing obligations under the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchanges Securities Trading Limited (“**SGX-ST**”).

The Board is pleased to confirm that for FY2021, the Company has complied with the principles and provisions as set out in the Code and the Practice Guidance, where applicable. In areas where the Company’s practices vary from any provisions of the Code and/or the Practice Guidance, the Company has stated herein the provision of the Code and Practice Guidance (as applicable) from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant principles of the Code and Practice Guidance. The Company will continue to assess its needs and implement appropriate practices accordingly.

I. BOARD MATTERS

PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

The company is headed by an effective Board which is collectively responsible and works with the Management for the long-term success of the company.

Provision 1.1

Board’s Role and Duties

The Company is headed by an effective Board to lead and control its operations and affairs. The key responsibilities of the Board include charting and reviewing the Group’s overall business strategy, supervising the Management of the Company and reviewing the Group’s financial performance and managerial performance while considering sustainability issues as part of its strategic formulation.

In addition, the Board is entrusted with the following responsibilities for the overall management and corporate governance of the Group including:

- (a) provide entrepreneurial leadership, set strategic objectives, which include appropriate focus on value creation, innovation and sustainability;
- (b) ensure that the necessary financial and human resources are in place for the Group to meet its strategic objectives;
- (c) establish and maintain a framework of prudent and effective controls which enables risks to be assessed and managed, and to achieve an appropriate balance between risks and the Group’s performance;
- (d) constructively challenge the Management and review the Management’s performance;
- (e) identify the key stakeholder groups and recognise that their perceptions affect the Group’s reputation;
- (f) set the Group’s values and standards (including ethical standards), and ensure that the obligations to shareholders and other stakeholders are understood and met; and
- (g) ensure transparency and accountability to key stakeholder groups and consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Board is collectively responsible for the long-term success of the Group and delivery of sustainable value to the shareholders and other stakeholders. Thus, written terms of reference have been put in place to assist the Board and the Management in clarifying responsibilities and ensuring effective communication between the Board and the Management.

The terms of reference of the Board sets out its authority and responsibilities. Its duties shall pervade key areas in the Group such as corporate governance, strategy, finance, risk management and internal controls and human resources.

I. BOARD MATTERS (cont'd)

Code of Business Conduct and Ethics

The Company strives to uphold the highest levels of business conduct and integrity in all transactions and interactions. All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and hold the Management accountable for the performance of the Group.

The Board has thus put in place a Code of Business Conduct and Ethics which serves to guide the Directors on the areas of ethical risk and sets a framework where integrity and accountability are paramount. The Company is also committed to ensuring that its affairs are conducted with the highest standard of probity and in compliance with the law.

Conflicts of Interest

The Board acts in good faith and in the best interests of the Company by exercising due care, skills and diligence, and avoiding conflicts of interest. The Directors are cognisant of their fiduciary duties at law. Pursuant to Section 156 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), each Director is to declare to the Company his interests (direct or indirect) in all transactions with the Company and provide details on the nature of such interests as soon as practicable after the relevant facts have come to his knowledge. On an annual basis, each Director is also required to submit details of his associates for the purpose of monitoring interested persons transactions (“**IPTs**”). Where a Director has a conflict or a potential conflict of interest in relation to any matter, he is required to immediately declare his interest when the conflict-related matter is discussed, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he is required to abstain from voting in relation to the conflict-related matters.

Provision 1.2

Director Competencies

All Directors have a good understanding of the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors).

While the duties imposed by law are the same for all directors, the board of directors of a listed company will generally have different classes of directors with different roles:

- **Executive Directors (EDs)** are usually members of the management who are involved in the day-to-day running of the business. Executive Directors are expected to:
 - (a) provide insights on the company's day-to-day operations, as appropriate;
 - (b) provide the management's views without undermining the management's accountability to the board of directors; and
 - (c) collaborate closely with Non-Executive Directors for the long-term success of the company.
- **Non-Executive Directors (NEDs)** are not part of the management. They are not employees of the company and do not participate in the company's day-to-day management. Non-Executive Directors are expected to:
 - (a) be familiar with the business and stay informed of the activities of the company;
 - (b) constructively challenge the management and help develop proposals on strategy;
 - (c) review the performance of the management in meeting agreed goals and objectives; and
 - (d) participate in decisions on the appointment, assessment and remuneration of the EDs and key management personnel (“**KMP**”) generally.
- **Independent Directors (IDs)** are Non-Executive Directors who are deemed independent by the board of directors. Independent Directors have the duties of the Non-Executive Directors, and additionally provide independent, and objective advice and insights to the board of directors and the management.

Directors are expected to develop their competencies to effectively discharge their duties and are provided with opportunities (as described below) to develop and maintain their skills and knowledge at the Company's expense.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

Appointment Letter

Upon appointment of each Director, the Company shall provide a formal letter of appointment to the Director, setting out the Director's roles, obligations, duties and responsibilities, and the expectations of their contribution to the Company as a member of the Board.

Continuous Training and Development of Directors

The Company does not have a formal training program for the Directors but all incoming Directors will undergo a comprehensive and tailored induction on joining the Board. This includes his duties as a Director and how to discharge those duties, and an orientation programme to ensure that they are familiar with the Company's business and governance practices. To get a better understanding of the Group's businesses, the incoming Directors will also be given the opportunity to meet with the Management.

The Company will also arrange for first-time Directors to attend relevant training in relation to the roles and responsibilities of a Director of a public listed company in Singapore as prescribed by the SGX-ST and in areas such as accounting, legal and industry-specific knowledge as appropriate. The training of Directors will be arranged and funded by the Company.

The Company encourages all the Directors to attend training courses organised by Singapore Institute of Directors ("SID") or other training institutions which are aimed at providing them with the latest updates on changes in relevant regulations, accounting standards, corporate governance practices and guidelines from the SGX-ST that affect the Group and/or the Directors in connection with their duties and responsibilities as a Director of a public-listed company in Singapore, and such training is funded by the Company.

All Directors are provided with regular briefings from time to time on changes in the relevant laws and regulations in relation to accounting standards, Catalist Rules, corporate governance and other regulations or statutory requirements. In FY2021, the Directors were briefed by external auditors on changes in accounting standards and other regulatory updates.

Provision 1.3

Internal Guidelines on Matters Requiring Board Approval

The Board has adopted internal guidelines on matters which specifically require the Board's decision or approval, which has been clearly communicated to the Management, including but not limited to the following:

- (a) appointment of Directors and key management (as recommended by the NC (as defined below) and the remuneration packages of Directors and key management (as recommended by the RC (as defined below);
- (b) any matters relating to general meetings, Board and Board Committees (as defined below);
- (c) material transactions, including investment in and disposal of securities, investment properties, subsidiaries, associates and property development companies;
- (d) operation of banking accounts, credit facilities, bank deposits and provision of corporate guarantees;
- (e) provision, capitalization, and denomination of loans to subsidiaries, associates and property development companies;
- (f) approval of all announcements released via SGXNet, including financial results announcements and IPTs;
- (g) approval of annual and interim reports, financial statements, Directors' statement and annual report; and
- (h) dividend matters.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

Provision 1.4

Delegation of Authority to Board Committees

To assist the Board in the execution of its responsibilities and to provide independent oversight of the Management, the Board has established three (3) Board committees, namely the Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) (collectively, the “**Board Committees**”). Each of the Board Committees functions within clearly defined terms of references and operating procedures endorsed by the Board, which are reviewed from time to time, along with the committee structures and membership, to ensure their continued relevance, taking into consideration the changes in the governance and legal environment. The Board Committees will also review their terms of reference from time to time to ensure their continued relevance and the effectiveness. The composition and description of each Board Committee is set out in this report. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board. The responsibilities and authority of the Board Committees set out in their respective terms of reference are revised for alignment with the Code as and when necessary.

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and the Group. The Board Committees report its activities regularly to the Board. Minutes of the Board Committees are regularly provided to the Board and are available to all Board members. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board. The Board Committees have explicit authority to investigate any matter within their terms of reference, have full access to and co-operation of the Management, have resources to enable them to discharge their functions properly and full discretion to invite any Director or senior management to attend their meetings.

Provision 1.5

Meetings of Board and Board Committees

The schedule of all the Board and Board Committees meetings as well as the annual general meeting (“**AGM**”) of the Company for the next calendar year is planned well in advance. The Board meets at least twice a year. Ad-hoc and/or non-schedule Board and/or Board Committees meetings may be convened to deliberate on urgent substantial matters. In addition to the scheduled meetings, the Board has informal discussions on corporate events and/or actions, which would then be formally confirmed and approved by circulating resolutions in writing. The Board members also communicate frequently with the Management to discuss the business operations of the Group.

Article 118 of the Company’s Constitution allows Board meetings to be conducted by means of conference telephone, videoconferencing, audio visual, or other similar communication by means of which all persons participating in the meeting can hear one another. Decisions of the Board and Board Committees may also be obtained through circular resolutions.

The attendance of the Directors at the Board and Board Committees meetings held in FY2021 is set out in the table below:

Name of Directors	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
Sun Bowen	3	3	NA	NA	NA	NA	NA	NA
Wee Phui Gam	3	3	4	4	1	1	1	1
Hau Khee Wee	3	3	4	4	1	1	1	1
Dr Danny Oh Beng Teck	3	3	4	4	1	1	1	1

“NA” denotes “not applicable” as he is not a member of the respective Board Committees

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

Multiple Board Representations

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his knowledge. When a Director has multiple board representations, and in considering the nomination of Directors for appointment or re-appointment, the NC will evaluate whether or not the Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

The NC has reviewed all the declarations from the Directors and evaluated the competing time commitments faced by Directors serving on multiple boards during FY2021, and is satisfied that the Directors are able to and have adequately carried out their duties as Directors of the Company, as well as sufficient time and attention are given to the affairs of the Company, after taking into consideration each of the Directors' number of listed company board representations and other principal commitments in FY2021. In view of this, the NC and the Board were of the views that each individual Director is best placed to determine and ensure that he is able to devote sufficient time and attention to discharge his duties and responsibilities as a Director of the Company, and believes that it would not be necessary to put a maximum limit on the number of listed company board representations that each individual Director may hold. The Board and the NC will review the requirement to determine the maximum number of listed company board representations as and when they deem fit.

Provision 1.6

Access to Information

All Directors have unrestricted access to the Company's records and information. From time to time, they are provided with complete, adequate and timely information, on an on-going basis, in order for the Directors to discharge their duties efficiently and effectively.

Detailed Board papers are prepared and circulated to the Directors before each Board meeting. The Board papers include sufficient information on financial, budgets, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at the Board meetings. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting.

The Board receives half-yearly financial management reports, annual budgets and explanation pertaining to the operational and financial performance of the Group, including updates on the Group's financial performance and position, cash flow position and operational performance of the Group's assets as well as quarterly management reports on the Group's receivables position. In respect of annual budgets, any material variance between the projections and actual results is also disclosed and explained.

The Board is also updated on the industry trends and developments surrounding the Group's various business segments to enable them to oversee the Group's operational and financial performance as well as risks faced by the Group.

Provision 1.7

Access to Management and Company Secretary

The Directors have separate and independent access to the Management and the Company Secretary, who are responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied, at all times through email, telephone and face-to-face meetings.

The Directors are also entitled to request for additional information and the Management is required to provide them such information on a timely basis. Any additional materials or information requested by the Directors to make informed decisions is promptly furnished.

The Company Secretary assists the Chairman of the Board and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committees meetings. The Company Secretary and/or his representatives attends all meetings of the Board and Board Committees. The Company Secretary prepares the minutes after each meeting and ensures that good information flows within the Board and its Board Committees and between the Management and Non-Executive Directors. The Company Secretary also facilitates the orientation of the Board and the Management and assists with professional development as and when required. The appointment and removal of the Company Secretary is decided by the Board as a whole.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

Access to Independent Professional Advice

Should Directors, whether as a group or individually, require independent professional advice in furtherance of their duties and responsibilities, the cost of such professional advice is borne by the Company.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1

Independence of Directors

The criterion for independence is based on the definition set out in the Code and Practice Guidance, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules of the SGX-ST. The Board considers an "independent" Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to uphold the best interests of the Company.

The NC is responsible for reviewing the independence of each of the Independent Directors according to the Code and Rule 406(3)(d) of the Catalist Rules of the SGX-ST. The NC conducts the review annually and considers all nature of relationships and circumstances that could influence the judgement and decisions of the Independent Directors before tabling its finding and recommendations to the Board for approval.

For FY2021, the Independent Directors have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Independent Directors' independent business judgment with a view to uphold the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 406(3)(d) of the Catalist Rules of the SGX-ST. The Independent Directors did not own shares of the Company and were not in any foreseeable situation that could compromise their independence of thought and decision. The Board, based on the review conducted by the NC, has determined that the said Directors are independent.

Duration of Independent Directors' Tenure

As at the date of this report, none of the Independent Directors has served on the Board beyond nine (9) years since the date of his first appointment. Nonetheless, the independence of any Director who has served on the Board beyond nine (9) years since the date of his first appointment will be subject to particularly rigorous review and the mandatory two-tier voting process to be sought at an AGM.

Provision 2.2

Proportion of Independent Directors

As at the date of this report, the Board consist of one (1) Executive Chairman, one (1) Executive Director and three (3) Independent Directors. The Company has complied with Provision 2.2 of the Code as Independent Directors made up a majority of the Board where the Chairman of the Board being an Executive Director.

The Board is able to exercise objective judgments on corporate affairs independently and constructively challenge key decision, taking into consideration the long-term interest of the Group and its shareholders. Further, the Company has in place an internal guideline for matters requiring Board's approval. Therefore, no individual or a small group of individuals be allowed to dominate the Board's decision making.

Provision 2.3

Proportion of Non-Executive Directors

A majority of three (3) out of five (5) Directors on the Board are Non-Executive Directors.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

Provision 2.4

Composition and Size of the Board

As at the date of this report, the Board comprises the following five (5) Directors, two (2) of whom are Executive Directors and three (3) of whom are Independent Directors:

Executive Directors

- | | |
|---------------|--|
| Sun Bowen | - Executive Chairman |
| Tan Keng Keat | - Executive Director (appointed on 6 October 2021) |

Non-Executive Directors

- | | |
|-----------------------|-----------------------------|
| Wee Phui Gam | - Lead Independent Director |
| Hau Khee Wee | - Independent Director |
| Dr Danny Oh Beng Teck | - Independent Director |

The NC is responsible for examining the composition and size of the Board and Board Committees to determine the impact of the composition and size on its effectiveness and deciding on what is considered as an appropriate composition and size for the Board and Board Committees to facilitate effectiveness in the decision making.

The Board, in concurrence with the NC, is satisfied that the existing composition and size of the Board and Board Committees effectively serve the Group, taking into account the size, scope and nature of the operations of the Group.

Board Diversity

In view of the principles and provisions set out in the Code, the Board adopted a Board Diversity Policy in August 2020 as the Company recognises that board diversity is an essential element contributing to the sustainable development of the Company. The Board intends for the policy to foster an inclusive and diverse culture that introduces different perspectives and experiences that will ultimately promote better corporate governance.

In identifying nominees for directorship, the Board Diversity Policy aims to have an appropriate mix of expertise with complementary skills, core competencies and experience for facilitating effective decision making. Each Director has been appointed based on his skills, experience and knowledge, and is expected to bring forth his experience and expertise to the Board for the continuous development of the Group. The Board Diversity Policy provides that the NC will consider all aspects of diversity in reviewing the Board composition and succession planning.

All Directors possess the right core competencies and diversity of experience that enable them to effectively contribute to the Board. Their varied experiences are particularly important in ensuring that the strategies proposed by the Management are fully discussed and examined, taking into account the long-term interests of the Company, the Group and shareholders.

The NC is of the view that the current Board comprises members with diverse competencies, experience and skills that match the demands of the Group. The Board comprises Directors who provide core competencies in accounting and finance, business experience, industry knowledge, strategic planning, legal knowledge and customer-based experience and knowledge.

Board Guidance

An effective and robust board of directors, whose members engage in open and constructive debates and challenge the management on its assumptions and proposals, is fundamental to good corporate governance. Board of directors should also aid in the development of strategic proposals and oversee effective implementation by the management to achieve set objectives.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

The Directors, in particular the Non-Executive Directors, are kept informed of the Company's business and affairs as well as about the industry in which the Company operates in. This knowledge is essential for the Directors to engage in informed and constructive discussions. To ensure that Non-Executive Directors are well supported by accurate, complete and timely information, Non-Executive Directors have unrestricted access to the Management. Besides receiving regular Board briefings on latest market developments and trends, and key business initiatives, periodic information papers, industry and market reports, the Non-Executive Directors are regularly briefed by the Management on major decisions and prospective business deals.

Provision 2.5

Meetings of Independent Directors with Management

Although all Directors have equal responsibility for the performance of the Group, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by the Management are constructively challenged, fully discussed and rigorously examined, assessing the performance of the Management in meeting the agreed goals and objectives, as well as monitoring the reporting of performance.

The Independent Directors are encouraged to meet regularly without the presence of the Management, so as to facilitate a more effective check on the Management. During FY2021, the Independent Directors have met informally at least once without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of Directors and KMP. Thereafter, the Chairman of such meeting will provide feedback to the Board and/or Executive Chairman of the Company as appropriate.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE DIRECTOR

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1

Separate Roles of Chairman and Chief Executive Officer

The Chairman of the Board and the Chief Executive Officer ("CEO") should in principle be separate persons to maintain an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making. There is a clear division of responsibilities, as set out in writing and agreed by the Board, between the leadership of the Board and the Management responsible for managing the Group's business operations.

For FY2021, Mr Sun Bowen is the Executive Chairman and Mr Tan Keng Keat is the Acting CEO of the Company and there was a clear division of responsibilities between the leadership of the Executive Chairman and the Acting CEO.

However, Mr Tan Keng Keat had relinquished his position as Acting CEO of the Company subsequent to his appointment as an Executive Director of the Company with effect from 6 October 2021. The Company has not appointed any CEO to the Board due to the size of its current operations. Mr Tan Keng Keat, being the Executive Director of the Company, assists and supports the finance team in China to discharge their duties and responsibilities for the financial and operational performance of the Group, including reviewing and charting the Group's corporate directions and strategies, financial planning and related investment activities. He assists to ensure that corporate policies are properly complied with and work closely with the Executive Chairman to review corporate and other business issues. He also ensures the quality and timeliness of the flow of information between the finance team in China and the Board.

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 exercising any considerable concentration of power or influence. All Directors ensure that they have collectively taken decisions in the interests of the Company. Taking into consideration the development and execution of the Company's long-term strategies and plans, which include maximising value creation for its stakeholders, the Board will continue to review the role of the CEO and will consider filling up the post of the CEO when deemed appropriate or a suitable candidate(s) is sought.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

Provision 3.2

Role of Chairman and CEO

As the Executive Chairman of the Company, Mr Sun Bowen is responsible for the effective functioning of the Board and exercises control over the quality, quantity and timeliness of information flow between the Board and the Management, effective communication with shareholders and leads the Board to ensure its effectiveness on all aspects of its role. In addition, Mr Sun Bowen also encourages constructive relations among the Directors and the Board's interaction with the Management, as well as facilitates effective contribution by the Non-Executive Directors. At the same time, Mr Sun Bowen is also involved with providing the strategic direction of the Group, business development and enhancing ties with the Group's customers and business associates.

Responsibilities of Mr Sun Bowen as the Executive Chairman in respect of the Board proceedings include:

- (a) in consultation with the Executive Director, scheduling meetings, setting the agenda (with the assistance of the Company Secretary and/or his representatives) and ensuring that adequate time is available for discussion of all agenda items, in particular, strategic issues;
- (b) ensuring that all agenda items are adequately and openly debated at the Board meetings;
- (c) ensuring that all Directors receive complete, adequate and timely information; and
- (d) assisting in ensuring that the Group complies with the Code and maintains high standards of corporate governance.

As the Company does not have a CEO to carry out the executive functions, the finance team in China is responsible for the business direction and operational decisions of the Group and steering the strategic direction and growth of the Group's businesses with the assistance and support receive from the Executive Director, Mr Tan Keng Keat. The finance team in China regularly communicates with the Executive Chairman, Mr Sun Bowen and Mr Tan Keng Keat to update them on corporate issues and developments. Hence, the Board is of the view that despite the fact that the Company does not have a CEO, there is sufficient independent representation in the Board Committees, which comprised all Independent Directors, to provide diversity of thought and an independent and objective element to the Group and strategic level decision making, which enable the Board to make decisions in the best interest of the Company.

Provision 3.3

Lead Independent Director

In view of the fact that the Executive Chairman is part of the management team and is not independent, the Board has a Lead Independent Director, Mr Wee Phui Gam, to provide leadership in situations where the Executive Chairman, who is not independent, is conflicted. The Lead Independent Director is a key member of the Board, representing the views of the Independent Directors and facilitating a two-way flow of information between shareholders, the Executive Chairman and the Board.

The Lead Independent Director's role may include chairing Board meetings in the absence of the Executive Chairman, working with the Executive Chairman in leading the Board, and providing a channel to Independent Directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary.

In addition, the Lead Independent Director may also help the NC conduct annual performance evaluation and development succession plans for the Executive Chairman and the Executive Director and help the RC design and assess the remuneration of the Executive Chairman and the Executive Director.

The Lead Independent Director also makes himself available at all times when shareholders have concerns and for which contact through normal channels of the Executive Chairman, Executive Director or Chief Financial Officer ("CFO") have failed or is inappropriate. The Lead Independent Director makes himself available to shareholders at the Company's general meeting.

There were no queries or requests on any matters which required the Lead Independent Director's attention in FY2021.

The Company has established a Whistle-Blowing Policy where employees may, in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to the Lead Independent Director. The contact details for reporting of incidents under the Whistle-Blowing Policy have been made available to all employees and the Company's corporate website.

I. BOARD MATTERS (cont'd)

Independent Director Meetings in Absence of Other Directors

After meeting with shareholders or when there are issues to be discussed, the Lead Independent Director will lead meetings with other Independent Directors, without the presence of other Directors, and provide feedback to the Executive Chairman of the Board after such meetings, if it necessary.

During FY2021, the Independent Directors have met unofficially at least once to discuss the Company's matters without the presence of the other Directors, and the Lead Independent Director has also provided the feedback, where appropriate, to the Executive Chairman after such meetings.

Terms of Reference for Chairman, CEO and Lead Independent Director

Pursuant to Provision 3.2 of the Code, for FY2021, the terms of reference for the Chairman, CEO and Lead Independent Director were set out in writing, including the division of responsibilities between the Chairman and the CEO. It also spells out the role and responsibilities of the Lead Independent Director.

Notwithstanding that the Company has not appointed any CEO to the Board, the Board takes a strategic approach to ensure appropriate resources, requisite competencies and sound systems and processes are in place to facilitate effective decision making and create value for its stakeholders. The Executive Chairman and Executive Director, who are knowledgeable in the business of the Group, provide the Group with strong and consistent leadership and allow for more effective planning and execution of long-term business strategies. They perform their executive functions to enable the Group to conduct its business efficiently and ensure that its decision-making process is not unnecessarily hindered. Further, the Lead Independent Director plays an additional facilitative role within the Board, and where necessary, he may also facilitate communication between the Board and shareholders or other stakeholders of the Company.

In view of the above, the Company is of the view that the intent of Principle 3 of the Code is met as no one individual of the Board has unfettered powers of decision making.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1

Roles and Duties of Nominating Committee

The Board established the NC with written terms of reference which clearly set out its authority and duties. The NC reports to the Board directly.

The terms of reference of the NC, which was revised and adopted for alignment with the Code and Catalist Rules of the SGX-ST, sets out its duties and responsibilities. Amongst them, the NC is responsible for:

- (a) regularly and strategically review the structure, size and composition (including the skills, gender, age, qualification, experience and diversity) of the Board and Board Committees;
- (b) identifying and nominating candidates to fill Board vacancies as they occur;
- (c) requesting nominated candidates to disclose any existing or expected future business interests that may lead to a conflict of interest. This disclosure is included in any recommendation to the Board;
- (d) sending the newly-appointed Director a formal appointment letter which clearly sets out his roles and responsibilities, authority, and the Board's expectations in respect of his time commitment as a Director of the Company;
- (e) recommending the membership of the Board Committees to the Board;
- (f) reviewing the independent status of Non-Executive Directors (in accordance with Catalist Rules 406(3)(d)(i), (ii), and (iii) of the SGX-ST, and the Provision 2.1 of the Code) and that of the alternate Director, if applicable, annually, or when necessary, along with issues of conflict of interest;
- (g) developing the performance evaluation framework for the Board, the Board Committees and individual Directors and propose objective performance criteria for the Board, the Board Committees and individual Directors;

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

- (h) recommending that the Board removes or reappoints a Non-Executive Director at the end of his term, and recommending the Directors to be re-elected under the provisions of the Company's Constitution on the policy of retirement by rotation. In making these recommendations, the NC considers the Director's performance, commitment and his ability to continue contributing to the Board;
- (i) reviewing other directorships held by each Director and deciding whether or not a Director is able to carry out, and has been adequately carrying out, his duties as a Director;
- (j) identifying and developing training programmes/schedules for the Board and Board Committees and ensuring all Board appointees undergo appropriate induction programme;
- (k) reviewing and ensuring that there is a clear division of responsibilities between the Chairman and CEO of the Company in place;
- (l) reviewing with the Board its succession plans for the Board Chairman, Directors, CEO and KMP of the Company;
- (m) keeping up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Company and the industry in which it operates; and
- (n) undertaking such other functions and duties as may be required by the Board under the Code, statute or the Catalyst Rules of the SGX-ST (where applicable).

Provision 4.2

Nominating Committee Composition

As at the date of this report, the NC comprises the following three (3) members, all of whom, including the NC Chairman, are Independent Directors and Lead Independent Director is a member of the NC:

Hau Khee Wee	Chairman
Wee Phui Gam	Member
Dr Danny Oh Beng Teck	Member

Provision 4.3

Nomination and Selection of Directors

In the event of a vacancy arising pursuant to an expansion of the Board or such other circumstances as they may occur, or where it is considered that the Board will benefit from the services of a new Director with particular skills, the NC will, in consultation with the Board, determine the selection criteria and select candidates based on their experience and expertise for the position.

The NC may approach relevant institutions, e.g. SID, search consultants or via open advertisements to search for suitable candidates. The search for suitable candidates may also draw from the contacts and network of the existing Directors and the Management. Thereafter, the NC will identify candidates by conducting formal interviews with shortlisted candidates to assess their suitability and ensure that the candidates meet the criteria and expectations. After the selection process, the NC will make the necessary recommendation to the Board for approval. New Directors will be appointed after the NC makes the necessary recommendation to the Board for approval.

When an existing Director chooses to retire or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, evaluates and determines the selection criteria so as to identify candidates with the appropriate expertise and experience for the appointment as new Director. The selection criterion includes integrity, diversity of competencies, expertise, industry experience and financial literacy.

Re-election of Directors

In accordance with Article 117 of the Company's Constitution, one-third of the Directors, or if their number is not in a multiple of three (3), the number nearest to but not less than one-third, shall retire from office at every AGM. In addition, Article 122 of the Company's Constitution provides that all newly appointed Directors shall hold office only until the next AGM and are eligible to offer themselves for re-election.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

In this respect, the Board has accepted the NC's nomination of the retiring Directors who had given their consent for re-election at the forthcoming AGM of the Company. The retiring Directors at the forthcoming AGM of the Company are:

- (a) Mr Hau Khee Wee and Wee Phui Gam will retire pursuant to Article 117 of the Company's Constitution; and
- (b) Mr Tan Keng Keat will retire pursuant to Article 122 of the Company's Constitution.

Mr Hau Khee Wee will, upon re-election as a Director of the Company, remain as Independent Director and the Chairman of the NC and RC and a member of the AC of the Company respectively. Mr Hau Khee Wee is considered by the Board to be independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

Mr Wee Phui Gam will, upon re-election as a Director of the Company, remain as Lead Independent Director and the Chairman of the AC and a member of the NC and RC of the Company respectively. Mr Wee Phui Gam is considered by the Board to be independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

In making the recommendation, the NC has considered the Directors' overall contributions and performance and whether the Director has adequate time and attention to devote to the Company, in the case of Directors with multiple board representations. Each member of the NC shall abstain from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their own performance or re-election as a Director.

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the retiring Directors as set out in Appendix 7F of the Catalist Rules is disclosed below:

Name of Director	Hau Khee Wee	Wee Phui Gam	Tan Keng Keat
Date of Appointment	19 October 2017	19 October 2017	6 October 2021
Date of last re-appointment (if applicable)	31 October 2018	31 October 2018	Nil
Age	45	68	45
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Hau Khee Wee as the Independent Director, the Chairman of the NC and RC and a member of the AC of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualification, expertise, past experiences and overall contribution since he was appointed as the Independent Directors of the Company.	The re-election of Mr Wee Phui Gam as the Lead Independent Director, the Chairman of the AC, a member of the NC and RC of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as the Lead Independent Director of the Company.	As a newly appointed Director of the Company, the re-election of Mr Tan Keng Keat is in pursuance to Article 122 of the Company's Constitution by virtue of which he was so appointed under this Article shall hold office only until the next AGM and shall then be eligible for re-election.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Executive. Mr Tan Keng Keat is responsible for the business development activities and capital management strategy of the Group in his role as Executive Director of the Company.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

Name of Director	Hau Khee Wee	Wee Phui Gam	Tan Keng Keat
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, NC and RC Chairman, AC member	Lead Independent Director, AC Chairman, NC and RC member	Executive Director
Professional qualifications	Member of Institute of Singapore Chartered Accountants	Member of Institute of Singapore Chartered Accountants	Member of Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	<p>2019 to present: Chief Financial Officer, Yifan International and Scigen Pte Ltd</p> <p>2018 to 2019: Finance Director, Go Game Pte Ltd</p> <p>2016 to 2018: Financial Controller, Greater China, Fullerton Healthcare Corporation Limited</p> <p>2007 to 2016: Executive Director and Chief Financial Officer (Executive Director, with effect from 26 December 2007), China Kunda Technology Holdings Limited</p>	<p>2013 to present: Managing Partner, PG Wee Partnership LLP</p> <p>1984 to 2012: Partner, P G Wee & Partners</p>	<p>2016 to present: Executive Director (2021 to present); Acting CEO (2018 to 2021) and Chief Financial Officer (2016 to present), Imperium Crown Limited</p> <p>2014 to 2016: Director, Ethania Pte Ltd</p> <p>2013 to 2014: Chief Financial Officer, Aquaint Capital Holdings Limited</p> <p>2010 to 2013: Group Financial Controller, Capital Drilling Limited</p>
Shareholding interest in the listed issuer and its subsidiaries	None	None	3,843,000 shares in the listed issuer
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None
Conflict of interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

Name of Director	Hau Khee Wee	Wee Phui Gam	Tan Keng Keat
Other Principal Commitments including Directorships			
Past (for the last 5 years)	<ol style="list-style-type: none"> 1. T.H.E. Fullerton Healthcare Group Limited 2. S.C. Fullerton Healthcare Group Limited 3. FHHK Aurum Limited 4. Health Maintenance Management Services Limited 5. HM Investment Holdings Limited 6. HMMP Dental Limited 7. Health Maintenance Medical Practice Limited 8. Dr Tony Chun Kit Lee Medical Practice Limited 9. Aurum Holdings 10. Washington Health Analytics Limited 11. HMMP Medical (Macau) Limited 12. Fullerton Health Clinic (HK) Holdings Limited 13. Keith Chan Musculoskeletal and Family Medicine Centre Co., Ltd 14. Fullerton Health Global Doctors Pte Ltd 15. Go Game Pte Ltd 16. Evive Biotechnology Singapore Pte Ltd 	Nil	<ol style="list-style-type: none"> 1. One Room Mansion Limited 2. Richwood Asia I Investment Limited 3. Pryel Alliance Pte Ltd 4. Capital W Pte Ltd 5. Capital 7 Pte Ltd 6. Swiss Bullion Corp (Singapore) Private Limited 7. Art Oasis Pte Ltd 8. Fabchem China Limited
Present	<ol style="list-style-type: none"> 1. Yifan International 2. Scigen Pte Ltd 3. Scigen (Australia) Pty Ltd 4. China Kunda Technology Holdings Limited 5. Bioton S.A. 6. Evive Biotechnology Singapore Pte Ltd 	<ol style="list-style-type: none"> 1. Fabchem China Limited 2. P G Wee Partnership LLP 3. Y. C. Lee & Co. 4. P G Tax Services Pte Ltd 	<ol style="list-style-type: none"> 1. Imperium Crown Limited 2. Global Entertainment Media Pte Ltd 3. WS Global Asset Management Pte Ltd 4. Development West Pty Ltd 5. Ethania Pte Ltd 6. Potocol Pte Ltd

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

Name of Director	Hau Khee Wee	Wee Phui Gam	Tan Keng Keat
Information required pursuant to Catalyst Rules 704(6) and/or 704(7)			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

Name of Director	Hau Khee Wee	Wee Phui Gam	Tan Keng Keat
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

Alternate Director

During FY2021, there were no alternate Directors on the Board.

Provision 4.4

Continuous Review of Directors' Independence

The Company has put in place a process to ensure the continuous monitoring of the independence of the Directors whereby the Directors must immediately report any change in their external appointments that could affect their independence on the Board.

The NC reviews the independence of each Director annually in accordance with the definition of independence in the Code, Practice Guidance and Rule 406(3)(d) of the Catalist Rules of the SGX-ST. Each Independent Director has submitted their confirmation of independence for the NC's reviews on an annual basis. For FY2021, the NC has reviewed and confirmed the independence of the Independent Directors of the Company, namely Mr Wee Phui Gam, Mr Hau Khee Wee and Dr Danny Oh Beng Teck, the Board is of the view that they are independent, taking into account the circumstances set forth in the Code and Rule 406(3)(d) of the Catalist Rules of the SGX-ST.

Provision 4.5

Directors' Time Commitments

In addition to the current procedures for the review of the attendance records and analysis of directorships, a policy has also been put in place for Directors to notify the Board of any change in their external appointments. This would allow the Director to review his time commitments with the proposed new appointment and in the case of an Independent Director, to also ensure that his independence would not be affected.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

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
Sun Bowen	22 November 2017	30 October 2020	Nil	Present Fabchem China Limited (<i>Non-Executive and Non-Independent Director</i>) <u>Preceding 3 years</u> Nil	<ul style="list-style-type: none"> Fabchem China Limited (<i>Non-Executive and Non-Independent Director</i>) Shandong Yinguang Wen Chuang Yuan Co., Ltd (<i>Director</i>) Global Entertainment Media Pte. Ltd. (<i>Director</i>)
Tan Keng Keat	6 October 2021	Nil	Nil	Present Nil <u>Preceding 3 years</u> Nil	Nil
Wee Phui Gam	19 October 2017	25 October 2019	Nil	Present Fabchem China Limited (<i>Acting Chairman/ Independent Director</i>) <u>Preceding 3 years</u> Nil	<ul style="list-style-type: none"> P G Wee Partnership (<i>Managing Partner</i>) P G Tax Services Pte Ltd (<i>Director</i>) Y. C. Lee & Co. (<i>Managing Partner</i>)
Hau Khee Wee	19 October 2017	25 October 2019	Nil	Present China Kunda Technology Holdings Limited (<i>Independent Director</i>) Bioton S.A. (<i>Supervisory board member</i>) <u>Preceding 3 years</u> Nil	<ul style="list-style-type: none"> Yifan International (CFO) Scigen Pte Ltd (CFO) Scigen (Australia) Pty Ltd (<i>Director</i>) Bioton S.A. (<i>Director</i>)
Dr Danny Oh Beng Teck	1 December 2017	30 October 2020	Nil	Present Nil <u>Preceding 3 years</u> Nil	<ul style="list-style-type: none"> Cambrian Academy Pte Ltd (<i>Managing Director</i>) Cambrian Engineering Corporation Pte Ltd (<i>Managing Director</i>) Cables & Utilities Detection Services Pte Ltd (<i>Managing Director</i>)

The profile and relevant information of the members of the Board are set out on pages 13 to 15 of the annual report. Information of the interests of the Directors who held office at the end of the financial year in shares, debentures and share options in the Company and its related corporations (other than the wholly-owned subsidiaries) are set out in the Directors' Statement on page 52 of this annual report.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2

Performance Criteria

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

The NC has been tasked to assist the Board to develop a performance evaluation framework for the Board, Board Committees and individual Directors, propose performance criteria and assist in the conducting of the evaluation, analyse the findings and report the results to the Board.

The NC, together with the Board, has established a formal process setting out the performance criteria for assessing the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each individual Director to the effectiveness of the Board. Thereby aligning with the applicable principles and provisions set out in the Code.

The assessment parameters for each Director include his knowledge and abilities, attendance records at the meetings of the Board and Board Committees, and the intensity and quality of participation at meetings. The NC and the Board have relied on the abovementioned parameters to evaluate the Directors' contribution individually and have taken such evaluation into consideration for the re-nomination of the Directors.

On an annual basis, all the Directors are required to complete individually each of the following:

- Board Performance Evaluation Questionnaire;
- AC Performance Evaluation Questionnaire;
- NC Performance Evaluation Questionnaire;
- RC Performance Evaluation Questionnaire; and
- Individual Director Self-Assessment Form.

For FY2021, the NC conducted a formal review of the performance evaluation of the Board, Board Committees and individual Directors, by way of circulating the questionnaires to the Board and Board Committees and self-assessment form to each individual Director for completion. The summary of findings of each evaluation together with the feedback and recommendations from the Board, Board Committees and each individual Director had been discussed and reviewed by the NC.

Board Evaluation Process

The evaluation serves to assess the effectiveness of the Board as a whole on the following parameters:

- (a) Board composition;
- (b) Board conduct of affairs;
- (c) Internal controls and risk management;
- (d) Board accountability;
- (e) CEO; and
- (f) Standards of conduct.

Based on the summary of findings of the evaluation for FY2021 together with the feedback and recommendations from each Director, the NC is satisfied that the Board as a whole had met its performance objective in FY2021.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

Board Committees Evaluation Process

The evaluation serves to assess the effectiveness of the Board Committees on the following parameters:

Audit Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Financial reporting;
- (e) Risk management and internal control systems;
- (f) Internal audit process;
- (g) External audit process;
- (h) Compliance;
- (i) Anti-fraud;
- (j) Whistle-blowing;
- (k) IPTs and related party transactions;
- (l) Reporting;
- (m) Standards of conduct; and
- (n) Communication with shareholders.

Nominating Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Reporting;
- (e) Process for selection and appointment of new Directors;
- (f) Board diversity;
- (g) Nomination of Directors for re-election;
- (h) Independence of Directors;
- (i) Board performance evaluation;
- (j) Succession planning;
- (k) Multiple Board Representations;
- (l) Chairman and CEO;
- (m) Standards of conduct; and
- (n) Communication with shareholders.

Remuneration Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Remuneration framework;
- (e) Reporting;
- (f) Standards of conduct; and
- (g) Communication with shareholders.

Based on the summary of the evaluation for FY2021 together with the feedback and recommendations from members of the respective Board Committees, the NC is satisfied that each of the Board Committees had met its performance objective in FY2021.

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

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS (cont'd)

The NC has, without the engagement of an external facilitator, assessed the Board and Board Committees overall performance to-date and is of the view that the performance of the Board as a whole and Board Committees were satisfactory.

Individual Directors Evaluation Process

The evaluation serves to assess the effectiveness of each of the individual Directors on the following parameters:

- (a) Attendance at Board meetings and related activities;
- (b) Adequacy of preparation for Board meetings;
- (c) Contribution;
- (d) Initiative;
- (e) Knowledge of the senior management's job scope;
- (f) Knowledge of the Company's business;
- (g) Participation in constructive debate/discussion;
- (h) Maintenance of independence;
- (i) Disclosure of IPTs; and
- (j) Declaration of conflicts of interest.

Based on the summary of the evaluation for FY2021 together with the feedback and recommendations from the respective individual Directors, the NC is satisfied that each of the individual Directors had met his performance objective in FY2021.

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

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or his re-nomination as Director.

II. REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his own remuneration.

Provision 6.1

Roles and Duties of Remuneration Committee

The Board established the RC with written terms of reference which clearly set out its authority and duties. The RC reports to the Board directly.

The terms of reference of the RC, which was revised and adopted for alignment with the Code and Catalyst Rules of the SGX-ST, sets out its duties and responsibilities. Amongst them, the RC is responsible for:

- (a) determining the Company's remuneration policies. In doing so, it considers the Company's risk appetite and ensure that the policies are aligned to long-term goals;
- (b) ensuring that the level and structure of remuneration of the Board and KMP are appropriate and proportionate to the sustained performance and value creation of the Company;
- (c) setting the remuneration policy for Directors (both Executive Directors and Non-Executive Directors) and KMP;
- (d) recommending proposed Non-Executive Directors' fees for shareholders' approval;
- (e) monitoring the level and structure of remuneration for KMP relative to the internal and external peers and competitors;
- (f) ensuring that the remuneration of the Non-Executive Directors is appropriate to the level of contribution;

CORPORATE GOVERNANCE REPORT

II. REMUNERATION MATTERS (cont'd)

- (g) reviewing the remuneration of employees related to the Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- (h) reviewing the ongoing appropriateness and relevance of the Company's remuneration policy (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered) and other benefit programmes (where appropriate);
- (i) obtaining reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants;
- (j) overseeing any major changes in employee benefits or remuneration structures;
- (k) reviewing the design of all long-term and short-term incentive schemes for approval by the Board and shareholders;
- (l) ensuring that the contractual terms and any termination payments are fair to the individual and the Company and that poor performance is not rewarded;
- (m) setting performance measures and determining targets for any performance-related pay schemes operated by the Company;
- (n) ensuring that a significant and appropriate proportion of Executive Directors' and KMP remuneration is structured so as to link rewards to corporate and individual performance;
- (o) working and liaising, as necessary, with all other Board Committees on any other matters connected with remuneration matters; and
- (p) undertaking such other functions and duties as may be required by the Board under the Code, statute or the Catalyst Rules of the SGX-ST (where applicable).

Provision 6.2

Remuneration Committee Composition

As at the date of this report, the RC comprises the following three (3) members, all of whom, including the RC Chairman, are Independent Directors:

Hau Khee Wee	Chairman
Wee Phui Gam	Member
Dr Danny Oh Beng Teck	Member

Provision 6.3

Remuneration Packages and Framework

The RC reviews and recommends to the Board the remuneration packages or policies for the Executive Directors and the KMP based on the performance of the Group, the individual Director and the KMP. No Director individually decides or is involved in the determination of his own remuneration. The RC's recommendations are submitted for endorsement by the Board.

The RC also reviews the Company's obligations under the service agreement entered into with the Executive Directors and KMP that would arise in the event of termination of these service agreements. This is to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoids rewarding poor performance.

Provision 6.4

Engagement of Remuneration Consultants

The RC has access to advice from the internal human resource department and, if necessary, the RC may seek advice from external professionals in the field of executive compensation and related matters of which the expenses are borne by the Company. No external consultant was engaged by the Company in FY2021.

II. REMUNERATION MATTERS (cont'd)

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1 and 7.3

Remuneration of Executive Directors and KMP

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and to attract, retain and motivate the Executive Directors and KMP. It also motivates the Executive Directors to provide good stewardship of the company and KMP to successfully manage the Company for the long term. The remuneration packages take into account the performance of the Group, the Executive Directors and KMP.

The remuneration structure of the Executive Directors and KMP comprises both fixed and variable components. The variable component is linked to the Group/Company's performance as well as the performance of the individual. Such performance-related remuneration is designed to align with the interests of shareholders and other stakeholders and promote long-term success of the Group.

At present, the Company does not have an employee share option scheme or a performance share plan.

No Director is involved in determining his own remuneration. The service agreement entered into between the Company and Mr Sun Bowen, Executive Chairman of the Company, is for an initial period of three (3) years with effect from 1 March 2018 and will automatically be renewed for a further term of one (1) year unless otherwise terminated by either party giving not less than six (6) months' notice in writing to the other in accordance with the terms of the said agreement. Mr Tan Keng Keat had relinquished his position as Acting CEO of the Company following his appointment as an Executive Director of the Company with effect from 6 October 2021. The service agreement entered into between the Company and Mr Tan Keng Keat expired on 1 September 2021 and had been renewed for a further period of one (1) year in accordance with the terms of the said agreement. The RC and the Board had reviewed and approved the service agreement without any change to the remuneration package.

Having reviewed and considered the variable components in the remuneration packages of the Executive Directors and KMP, the RC is of the view that the remuneration packages of the Executive Directors and KMP, which include a fixed component and a variable component, is aligned to the interest of shareholders and are not excessive. The variable portion is linked to individual performance, and is dependent on the performance of the Group, as well as the contribution of the individual to the Group's performance.

Apart from the above, the Company does not have any long-term incentives, including share option schemes, nor contractual provisions to reclaim incentive components of remuneration from Executive Directors and KMP as the incentives do not make up a significant percentage of their remuneration.

Provision 7.2

Remuneration of Non-Executive Directors

The Board comprises of three (3) Non-Executive Directors who are independent. The Independent Directors are paid a fixed remuneration appropriate to their level of contribution, taking into account factors such as effort, time spent and their responsibilities. No Director is involved in deciding his own remuneration. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

The total remuneration of the Independent Directors is recommended for shareholders' approval at each AGM of the Company. Directors' fees for the Independent Directors of S\$160,000 for FY2021 had been approved by shareholders at the last AGM of the Company held on 30 October 2020. For the financial year ending 30 June 2022 ("FY2022"), Directors' fees for the Independent Directors will remain as S\$160,000 to continue support of the Group's cost cutting and cash conservation measures amid the 2019 Novel Coronavirus ("COVID-19") pandemic which impacted the Group's business operation. The said Directors' fees for FY2022, as recommended by the RC and endorsed by the Board, will be tabled for approval by shareholders at the forthcoming AGM of the Company.

CORPORATE GOVERNANCE REPORT

II. REMUNERATION MATTERS (cont'd)

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

Remuneration Criteria

The compensation packages for employees including the Executive Directors and KMP comprised a fixed component (base salary), a variable component (cash-based annual bonus) and benefits-in-kind, where applicable, taking into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

An annual review of the compensation is carried out by the RC to ensure that the remuneration of the Executive Directors and KMP is commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Directors and CEO (together with other KMPs) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

Disclosure on Fees and Remuneration of Directors

A breakdown showing the level and mix of the remuneration payable to each individual Director for FY2021 is as follow:

Name of Director	Remuneration Band	Director's Fees ¹ (%)	Salary Remuneration ² (%)	Performance Based Bonus (%)	Other Benefits (%)	Total (%)
Sun Bowen	<\$250,000	–	100	–	–	100
Wee Phui Gam	<\$250,000	100	–	–	–	100
Hau Khee Wee	<\$250,000	100	–	–	–	100
Dr Danny Oh Beng Teck	<\$250,000	100	–	–	–	100

Notes:

- The Directors' fees were approved by shareholders at the last AGM held on 30 October 2020.
- The salary remuneration shown are inclusive of Central Provident Fund ("CPF"), where applicable.

Disclosure on Remuneration of Key Management Personnel

Mr Tan Keng Keat was the only KMP (who was the Acting CEO and CFO) for FY2021. A breakdown of the remuneration bands payable to the KMP (who are not Directors or the CEO), including the immediate family members of a Director or the CEO exceeding S\$100,000 for FY2021, is as follows:

Name of KMP	Remuneration Band	Salary ¹ (%)	Bonus ¹ (%)	Other Benefits (%)	Total (%)
Tan Keng Keat	<S\$250,000	100	–	–	100%

Note:

- The salary and bonus are inclusive of CPF.

The RC will review the remuneration of the Directors and the KMP from time to time.

II. REMUNERATION MATTERS (cont'd)

Save as disclosed above, the Code recommends that:

- (a) the Company should fully disclose the remuneration of each individual Director and the CEO on a named basis;
- (b) the Company should disclose the details of the remuneration of employees who are immediate family members of a Director or the CEO, in incremental bands of S\$100,000; and
- (c) the Company should disclose in aggregate the total remuneration paid to the top five (5) KMP (who are not Directors or the CEO).

In view of the sensitive and confidential nature of the remuneration packages for Directors and KMP, the Board has decided not to disclose the aforesaid details as recommended by the Code. The total remuneration of the top five (5) KMP (who are not Directors or the CEO), including the immediate family member of a Director or CEO, was not disclosed to prevent poaching of KMP.

Given the competitive business environment and possible negative impact on the Group's business interest, the Board is of the view that the disclosure of the indicative range of the Directors' remuneration with a breakdown into fees, salary, bonus and other benefits in percentage terms, provides a reasonable amount of information on the Company's remuneration framework to enable the shareholders to understand the link between the Company's performance and the remuneration of the Directors. Accordingly, the Board believes it is unwise to disclose the breakdown of remuneration for Directors in dollar terms and the aggregate amount of remuneration paid to KMP.

All Directors and KMP are remunerated on an earned basis and there were no termination, retirement and post-employment benefits granted during FY2021.

After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board has determined that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation and accordingly, the Board believes that the existing practices adopted by the Company are consistent with the intent of Principle 8 of the Code.

Provision 8.2

Disclosure on Remuneration of Employee related to Directors/CEO/Substantial Shareholders

There were no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2021.

Provision 8.3

Long-Term Incentive Schemes

The Company had no long-term incentive schemes in place during FY2021.

CORPORATE GOVERNANCE REPORT

III. ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1

Nature and Extent of Risks

The Board oversees the company's risk management framework and policies, and ensures that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets.

The Board has determined the Group's levels of risk tolerance and risk policies and oversees the Management in the design, implementation and monitoring of the risk management and internal control systems.

Risk Management

The Board has ultimate responsibility for approving the strategy of the Group in addressing shareholders' expectations and does not expose the Group to an unacceptable level of operational, financial and compliance risks.

As the Group does not have a risk management committee, the AC assumes the responsibility of the risk management function. The Board monitors the Group's risks through the AC, internal and external auditors. Having considered the size and scale of the Group's business operations as well as its existing internal controls and risk management system, the Board is of the view that a separate risk committee is not required at the moment.

Internal Controls

The Board acknowledges that it is responsible for establishing, maintaining and reviewing the effectiveness of the Company's overall internal control framework. The Board also recognises that an effective internal control system will not preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material loss or financial misstatement. The Group's internal controls are designed to provide reasonable assurance that assets are safeguarded, the proper accounting records are maintained, and financial information used within the business and for publication is reliable. In designing these controls, the Directors have given regard to the risks to which the businesses are exposed, the likelihood of such risks occurring and the costs of protecting against them.

Provision 9.2

Assurance from the CEO, CFO and KMP

The Board and the AC has reviewed, with the assistance of the internal and external auditors, the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems annually.

For FY2021, the Board has received written assurance from the Executive Chairman and the Acting CEO and CFO that, as at 30 June 2021, the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

For FY2021, the Board has also received written assurance from the Acting CEO and CFO and the Executive Chairman, being the representative of KMP, that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place were adequate and effective as at 30 June 2021 to address the risks that the Group considers relevant and material to its business operations.

III. ACCOUNTABILITY AND AUDIT (cont'd)

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the Management, various Board Committees and the Board, as well as the said assurance set out above, the Board is satisfied and the AC concurs with the Board that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 30 June 2021 to address the risks that the Group considers relevant and material to its business operations.

The system of internal controls provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board notes that no system of internal controls and risk management systems can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Management will continue to review and strengthen the Group's control environment and devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an Audit Committee which discharges its duties objectively.

Provision 10.1

Roles and Duties of the AC

The Board established the AC with written terms of reference which clearly set out its authority and duties. The AC reports to the Board directly.

The terms of reference of the AC, which was revised and adopted for alignment with the Code and Catalyst Rules of the SGX-ST, sets out its duties and responsibilities. Amongst them, the AC is responsible for:

- (a) reviewing the financial reporting issues and judgements so as to ensure the integrity of financial statements, and of announcements on the Company's financial performance and recommend changes;
- (b) overseeing and reviewing the adequacy and effectiveness of the Company's risk management function and internal controls in relation to financial reporting and other financial-related risk and controls;
- (c) overseeing the Management in establishing the risk management framework of the Company;
- (d) reviewing and report to the Board at least annually on the adequacy and effectiveness of the Company's risk management and internal controls;
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;
- (f) reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (g) recommending to the Board the appointment, reappointment and removal of the external auditors, and its remuneration and terms of engagement;
- (h) ensuring that the Company complies with the requisite laws and regulation;
- (i) ensuring that the Company has programmes and policies in place to identify and prevent fraud;
- (j) overseeing the establishment and operation of the whistleblowing process in the Company;
- (k) reviewing all IPTs and related party transactions; and
- (l) undertaking such other functions and duties as may be required by the Board under the Code, statute or Catalyst Rules of the SGX-ST (where applicable).

The AC has explicit authority to investigate any matters within its terms of reference. The AC also has full access to, and the co-operation of, the Management and full discretion to invite any Director or senior management to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

CORPORATE GOVERNANCE REPORT

III. ACCOUNTABILITY AND AUDIT (cont'd)

Provisions 10.2 and 10.3

Audit Committee Composition

As at the date of this report, the AC comprises the following three (3) members, all of whom, including the AC Chairman, are Independent Directors:

Wee Phui Gam	Chairman
Hau Khee Wee	Member
Dr Danny Oh Beng Teck	Member

The Board is of the view that the members of the AC are appropriately qualified and possess the relevant accounting or related financial management expertise or experience to discharge their responsibilities. All AC members have many years of experience in accounting, finance and/or legal expertise and experience.

None of the AC members were previous partners or directors of the Company's existing auditing firms and none of the AC members hold any financial interest in the auditing firms.

Provision 10.4

Internal Audit Function

The current size of the operations of the Group does not warrant the Group to have an in-house internal audit function. The Company outsources its internal audit function to an external independent accounting firm, Messrs BDO LLP. The AC approves the hiring, removal, evaluation and compensation of the internal auditors.

The internal auditors report their findings and recommendations primarily to the AC and the AC is empowered to review any of the accounting, auditing and financial practices of the Company and the Group. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including unrestricted direct access to the AC.

The internal auditors will submit their annual audit planning for approval by the AC and report their findings to the AC. During the internal audit, the internal auditors carried out the review which is consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors on certain key areas to assess and evaluate:

- (a) whether adequate systems of internal controls are in place;
- (b) whether operations of the business processes under review are conducted efficiently and effectively; and
- (c) internal control improvement opportunities.

The AC has reviewed with the internal auditors their audit plan and their evaluation of the system of internal controls and has evaluated their audit findings and the Management's responses to those findings, the effectiveness of material internal controls, including financial, operational, compliance and information technology controls and overall risk management of the Company and the Group for FY2021. The AC is satisfied that the outsourced internal audit function is independent, adequately resourced, effective and has the appropriate standing within the Group. The AC is also of the view that the outsourced internal audit function is adequately staffed with persons with the relevant qualifications and experience and adheres to professional standards including those promulgated by The Institute of Internal Auditors.

The annual audits conducted by the internal auditors aim to assess the effectiveness of the Group's internal control procedures and to provide reasonable assurances to the AC and the Management that the Group's risk management, controls and governance processes are adequate and effective.

On an annual basis, the AC reviews the adequacy and effectiveness of the internal audit function.

III. ACCOUNTABILITY AND AUDIT (cont'd)

External Audit Function

The AC reviews the scope and results of the audit carried out by the external auditors, the cost effectiveness of the audit and the independence and objectivity of the external auditors. It always seeks to balance the maintenance of objectivity of the external auditors and their ability to provide value-for-money professional services.

Messrs RSM Chio Lim LLP ("**RSM**") was re-appointed as the external auditors on 30 October 2020 until the conclusion of the forthcoming AGM of the Company. The aggregate amount of audit fees paid RSM in FY2021 was S\$69,000 and non-audit fees was S\$14,500, which is relating to tax compliance work and sustainability reporting work.

The AC recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors. The re-appointment of the external auditors is always subject to shareholders' approval at the AGM of the Company.

In reviewing the nomination of RSM for re-appointment for FY2022, the AC has considered the adequacy of the resources, experience and competence of RSM, and has taken into account the Audit Quality Indicators relating to RSM firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The AC has also reviewed the volume and nature of all non-audit services of the Group provided by RSM and is of the opinion that the nature and extent of such services will not prejudice the independence and objectivity of RSM. The Board also considered the audit team's ability to work in a cooperative manner with the Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

On the basis of the above, the AC and the Board are satisfied with the standard and quality of work performed by RSM and have recommended the nomination of RSM for re-appointment as external auditors for the ensuing year be tabled for shareholders' approval at the forthcoming AGM of the Company.

For FY2021, the Company confirms that it has complied with Rules 712 and 716 of the Catalist Rules of the SGX-ST in relation to the appointment of audit firms for the Group. The AC and the Board are satisfied with the standards and the effectiveness of the audits performed by the independent auditors of the Company and the component external auditors for the Group.

Provision 10.5

Meeting with Internal and External Auditors without the Management

In performing its function, the AC meets with both the internal and external auditors to discuss and evaluate the internal controls of the Group and review the overall scope of both external and internal audits. The AC also meets regularly with the Management, the CFO, and external and internal auditors to keep abreast of any changes to the accounting standards and issues which could have a direct impact on the Group's financial statements. At least once a year and as and when required, the AC meets with the external and internal auditors without the presence of the Management, to review any matters that might be raised privately.

The AC had separately met with the internal and external auditors once without the presence of the Management for FY2021.

In the review of the financial statements for FY2021, the AC had discussed with the 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 matter impacting the financial statements was discussed with the Management and the external auditors and were reviewed by the AC:

CORPORATE GOVERNANCE REPORT

III. ACCOUNTABILITY AND AUDIT (cont'd)

Key Audit Matters	How the AC reviewed these matters and what decisions were made
Impairment assessment of property, plant and equipment, intangible assets and investment in subsidiaries (" Impairment Assessment Exercises ")	<p>The AC considered the competency, objectivity and capabilities of management of the Company, and the approach and methodology applied to the Impairment Assessment Exercises. The AC also considered the assumptions and estimates used in the Impairment Assessment Exercises and had also discussed such assumptions and assessment with the Management.</p> <p>The AC was satisfied with the approach and methodology applied by the independent professional valuer and the Management's assumptions and estimates used on the Impairment Assessment Exercises.</p> <p>The Impairment Assessment Exercises were 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 FY2021. Please refer to the Independent Auditor's Report contained in this annual report.</p>

Whistle-Blowing Policy

The AC has adopted a Whistle-Blowing Policy which provides well-defined and accessible channels in the Group through which employees may raise concerns about possible improprieties in matters of financial reporting or other matters such as the encounter of any improper conduct within the Group. Procedures are in place for the proper follow-up and investigations of such whistle-blowing incidents, as and when they arise. The Group also extended the Whistle-Blowing Policy to members of the public as well by means of the Company's corporate website where the email addresses of the Chairman of the AC and another Independent Director 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.

The AC oversees the administration of the policy. Where a complaint has been made, a report will be submitted to the AC for investigation and follow-up.

The AC did not receive any reports of whistle-blowing incidents during FY2021 and up to the date of this report.

Audit Committee Activities

In FY2021, the AC had, among others, carried out the following activities:

- (a) reviewed the half-year and full-year financial statements announcements of the Group, and recommended to the Board for approval and release to the SGX-ST via SGXNet;
- (b) reviewed the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- (c) reviewed IPTs of the Group;
- (d) reviewed and approved the annual audit plan of the external auditors;
- (e) reviewed and approved the internal audit plan of the internal auditors, having considered the scope of the internal audit procedures;
- (f) reviewed the effectiveness of the Group's internal audit function;
- (g) reviewed the audit findings of the internal auditors and the Management's responses to those findings;
- (h) reviewed the independence of the external auditors;
- (i) reviewed the annual re-appointment of the external auditors and determined their remuneration, and made a recommendation for the Board's approval; and
- (j) met with the internal and external auditors once without the presence of the Management.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Alternative Arrangements for Annual General Meeting for FY2021 (the "2021 AGM")

Due to the current COVID-19 safe management measures implemented in Singapore, pursuant to, *inter alia*, the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment) Order 2020 (the "**Order**") which was gazetted on 13 April 2020, and the announcement by the Ministry of Law ("**MinLaw**") on 6 April 2021 that MinLaw, in consultation with relevant Ministries and agencies, had further extended the duration of legislation that enables entities to hold meetings via electronic means, beyond 30 June 2021, the Company is allowed to adopt certain alternative arrangements in holding its 2021 AGM (the "**Alternative Meeting Arrangements**"), including:

- (i) the 2021 AGM will be held via electronics means;
- (ii) participation in the 2021 AGM electronically by shareholders via "live" audio-visual webcast or "live" audio-only stream;
- (iii) appointment of only the Chairman of the 2021 AGM by shareholders as their proxy to vote on their behalf at the 2021 AGM if such shareholders wish to exercise their voting rights at the 2021 AGM; and
- (iv) submission of questions on matters relating to the agenda of the 2021 AGM to the Company in advance and there is no live question and answer session at the 2021 AGM.

In addition, the Company is not required to distribute physical copies of the annual report for FY2021, the notice of the 2021 AGM and related meeting documents. Such documents are available for download from the Company's corporate website and the SGX-ST's website.

Further details about the Alternative Meeting Arrangements for the 2021 AGM are set out and explained in the Notice of the 2021 AGM and related announcements, copies of which can be downloaded from the Company's corporate website or the SGX-ST's website.

The Company's AGM held on 30 October 2020 was also via electronics means with similar Alternative Meeting Arrangements amid the COVID-19 pandemic.

In light of the Alternative Meeting Arrangements during the COVID-19 pandemic, the Company's practices on shareholders rights and conduct of general meetings have been tailored to be in compliance with acceptable practices during this period. However, the Company will implement the following measures as described below as its usual practices on shareholder rights and conduct of general meetings when the time is appropriate again.

Provision 11.1

Shareholders' Participation in General Meetings

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in newspapers and posted onto the SGXNet.

In order to provide ample time for the shareholders to review, the notice of AGM, together with the annual report, is distributed to all shareholders fourteen (14) days before the scheduled AGM date. Shareholders are encouraged to attend the general meetings to ensure a high level of participation and accountability.

If a shareholder is not able to attend in person, the shareholder is generally able to appoint one (1) or two (2) proxies to attend and vote in his stead at general meetings. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirements. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors. A proxy need not be a member of the Company.

CORPORATE GOVERNANCE REPORT

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon.

Shareholders are also informed of the voting procedures prior to the commencement of voting by poll. Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures.

Provision 11.2

Conduct of Resolutions and Voting

Separate resolutions are tabled at the general meetings on each substantially separate issue, unless the issues are interdependent and linked so as to form one significant proposal. If a scenario arises where the resolutions are inter-conditional, it is the Company's current intention to explain the reasons and material implications in the notice of meeting.

The Company typically ensures that there are separate resolutions at general meetings on each distinct issue. Detailed information on each item in the AGM/Extraordinary General Meeting ("**EGM**") agenda is provided in the explanatory notes to the notice of AGM/EGM.

Provision 11.3

Interaction with Shareholders

Directors and the Management are encouraged to be present and available at general meetings to address shareholders' queries relating to the Company's business or performance. The Management is also encouraged to make a presentation to shareholders to update them on the Company's performance, position and prospects at general meetings. Presentation materials will be made available on the SGXNet and the Company's corporate website for the benefit of shareholders.

The respective Chairperson of the AC, NC and RC are present to assist the Directors in addressing any relevant queries raised by shareholders. The external auditors will also be present at the AGM of the Company to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

Save for the last AGM of the Company held on 30 October 2020, there were no other general meetings of the Company held during FY2021.

Provision 11.4

Absentia Voting

Voting in absentia, which is currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web are not compromised, and legislative changes are effected to recognise remote voting.

The Company has decided, for the time being, not to implement voting in absentia through mail, electronic mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

Provision 11.5

Minutes of General Meetings

The proceedings of each of the general meetings will be properly recorded, including substantial or relevant comments or queries from Shareholders relating to the agenda of the general meetings and responses from the Board and the Management. All minutes of the general meetings will be made available on the Company's corporate website.

Provision 11.6

Dividend Policy

In considering dividend payments, the Company takes into account, amongst other factors, current cash position, future cash requirements, profitability, retained earnings and business outlook. In this regard, the Company does not have a fixed dividend policy. For FY2021, the Company will not be paying any dividends to shareholders as the Company has no distributable profits to declare dividends.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1

Communication with Shareholders

The AGM is the principal forum for dialogue with shareholders. The Company recognises the value of feedback from shareholders. During the general meetings, shareholders are given ample time and opportunities to air their views and concerns. All the Directors will endeavour to attend the AGMs and EGMs, and shareholders will be given the chance to share their thoughts and ideas or ask questions relating to the resolutions to be passed or on other corporate and business issues.

The Company believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible. The Company's officers promptly communicate with its shareholders and analysts whenever appropriate and attend to their queries or concerns. The Company'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 Company 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.

Provisions 12.2 and 12.3

Investor Relations Policy

The Company does not have an investor relations policy in place. However, the Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules of the SGX-ST and the Companies Act. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.

Disclosures of Information

The Company endeavors to maintain regular and effective communication with shareholders through timely and comprehensive announcements. It has adopted a policy of making all necessary disclosures in public announcements via SGXNet. The annual report is sent to all shareholders on a timely basis and announced via SGXNet. The Company does not practice selective disclosure of material information.

Communication to shareholders is normally made through:

- (a) annual reports that are prepared and issued to all shareholders;
- (b) annual and half-year financial statements announcements containing a summary of the financial information and affairs of the Group for the period;
- (c) notices and explanatory memoranda for general meetings;
- (d) disclosures to the SGX-ST via SGXNet; and
- (e) press/media releases.

The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

Outside of the financial announcement periods, when necessary and appropriate, the Executive Chairman and/or the Executive Director will meet all stakeholders, shareholders, analysts and media who wish to seek a better understanding of the Group's operations.

CORPORATE GOVERNANCE REPORT

V. MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1

Stakeholders' Engagement

The Company and the Group have regularly engaged its stakeholders through various medium and channels, such as conducting analysts briefings and maintaining a corporate website, to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. Five (5) stakeholders' groups have been identified through an assessment of their significance to the business operations. They are namely, shareholders, suppliers, customers, management and employees.

Provision 13.2

Strategy and Key Areas of Focus

The Company and the Group have undertaken a process to determine the economic, environmental, social and governance issues, which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

Sustainability Reporting

The Company upholds high standards of responsible, sustainable and socially aware business practices and is committed to incorporating sustainability in its corporate culture and improving the economic, environmental and social wellbeing of our stakeholders. The Company balances economic viability with sustainability and social progress for future generations. The Company is also cognisant of the challenges caused by the COVID-19 pandemic and remain committed to ensuring the safety of its guests and employees.

Below is a summary table of the material topics in line with the Global Reporting Initiative (GRI) standards that are relevant to the Group and our stakeholders.

Economic	Environmental	Social
<ul style="list-style-type: none"> • Market Presence • Indirect Economic Impacts • Procurement Practices • Anti-corruption 	<ul style="list-style-type: none"> • Energy • Water and Effluents • Biodiversity • Emissions • Waste • Environmental Compliance • Supplier Environmental Assessment 	<ul style="list-style-type: none"> • Employment • Occupational Health and Safety • Training and Education • Diversity and Equal Opportunity • Local Communities • Supplier Social Assessment • Customer Health and Safety • Socio-economic compliance

Detailed information on the Group's efforts on sustainability management in FY2021 will be disclosed in the 2021 Sustainability Report, which will be issued by 30 November 2021 and will also be published on the Company's corporate website and made available on the SGXNet.

Provision 13.3

Corporate Website

To promote regular, effective and fair communication with shareholders, the Company maintains a current corporate website, www.imperium-crown.com, through which shareholders are able to access up-to-date information on the Group. The website provides annual reports, financial information, profiles of the Group and contact details of the investor relations of the Group.

CORPORATE GOVERNANCE REPORT

VI. INTERESTED PERSON TRANSACTIONS

To ensure compliance with the relevant rules under Chapter 9 of the Catalist Rules of the SGX-ST, the Board and the 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 IPTs.

The AC has reviewed the IPTs for FY2021 and is of the view that the transactions were on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders. Mr Sun Bowen, through companies related to him, has extended interest-free RMB-denominated loans amounting to S\$14,321,000 and S\$8,006,000 respectively to the Group for working capital purposes. The loans are unsecured and there are no specific repayment terms. The amount at risk of the interest-free loans is zero. Save as disclosed above, there were no IPTs with value of S\$100,000 and above for FY2021.

VII. CORPORATE SOCIAL RESPONSIBILITY

For FY2022, the Company will implement a corporate social responsibility policy, taking into consideration the nascent stage of its operations.

VIII. MATERIAL CONTRACTS

Save for (a) the shareholder loan agreements between companies related to Mr Sun Bowen (the Executive Chairman) and the Group (in relation to the transactions as disclosed in the "Interested Person Transactions" section above); (b) the option agreement between Mr Sun Bowen (the Executive Chairman) and the Company, as approved by shareholders of the Company at the extraordinary general meeting convened on 29 March 2018 (as further described in the Directors' Statement); and (c) the service contracts between the Executive Chairman and the Company, and the Executive Director and CFO and the Company, there were no material contracts entered into by the Group involving the interests of the Directors or controlling shareholder, which are either still subsisting at the end of FY2021 or if not then subsisting, entered into since the end of the previous financial year.

IX. DEALINGS IN SECURITIES

The Company has complied with Rule 1204(19) of the Catalist Rules of the SGX-ST in relation to the best practices on dealings in the securities. The Company has established guidelines and a system of controls in monitoring the dealings in its securities by Directors and its officers, by monitoring the monthly shareholders listing to track share transactions by the Directors and its officers.

In addition, the Company has implemented a policy whereby Directors and its officers are prohibited from dealing in the Company's securities during the period commencing one (1) month prior to the release of the half-year and full-year announcements of the Company's financial results and ending on the date of announcement of the relevant results. In addition, Directors and its officers are also discouraged from dealing in the Company's securities on short-term considerations.

X. NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalist Rules of the SGX-ST, no non-sponsor fees were paid to the Company's sponsor, Stamford Corporate Services Pte Ltd ("**Sponsor**") for FY2021. Payments of approximately S\$27,675 were made to Morgan Lewis Stamford LLC, a related corporation of the Sponsor, for work in connection with the proposed acquisition of the remaining 40% stake in Global Entertainment Media Pte. Ltd., which has since lapsed.

STATEMENT BY DIRECTORS

The directors are pleased to present the consolidated financial statements of IMPERIUM CROWN LIMITED (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) and statement of financial position and statement of changes in equity of the Company for the reporting year ended 30 June 2021.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; 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 Sun Bowen
Mr Wee Phui Gam
Mr Hau Khee Wee
Dr Danny Oh Beng Teck

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 the shares 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:

<u>Name of directors and companies in which interests are held</u>	<u>At beginning of the reporting year</u>	<u>At end of the reporting year</u>
	<u>Number of unissued shares under option</u>	
<u>The Company</u>		
Mr Sun Bowen	300,000,000	300,000,000
	<u>Number of shares of no par value</u>	
<u>The Subsidiary</u>		
<u>(Global Entertainment Media Pte. Ltd.)</u>		
Mr Sun Bowen	3,208,354	3,208,354

By virtue of section 7 of the Act, Mr Sun Bowen is deemed to have an interest in Global Entertainment Media Pte. Ltd. and its subsidiaries.

The directors' interests set out above as at 21 July 2021 were the same as those at the end of the reporting year.

STATEMENT BY DIRECTORS

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

Neither at the end of the reporting year 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 except for the option rights mention below.

5. OPTIONS

During the reporting year, no option to take up unissued shares of the Group was granted except for the following:

The Company has share option agreements dated 26 February 2018 with Mr Sun Bowen and Mr Wee Henry (together, the "Option Subscribers"), which was approved and adopted by its members at an Extraordinary General Meeting held on 29 March 2018. Pursuant to the share option agreements, the Company shall issue to the Option Subscribers an aggregate of 600,000,000 share options (the "Options"), with each Option carrying the right to subscribe for one new ordinary share in the Company at the exercise price of \$0.085 (the "Exercise Price") for each new share on the terms and conditions of the Option Agreements (the "Grant of Options").

These options are exercisable between 26 February 2018 and 25 February 2023. The options granted are vested immediately.

The number of outstanding options at the end of the reporting year was:

Exercise price per share	Date of grant of options	Exercise period	Number of shares at	
			30.06.2021 '000	30.06.2020 '000
\$0.085	29 March 2018	From 26 February 2018 to 25 February 2023	600,000	600,000

The following table summarises information about participant share options outstanding at the end of the reporting year:

Participants	Options granted for reporting year ended 30 June 2021 '000	Aggregate options granted since commencement to 30 June 2021 '000	Aggregate options exercised since commencement to 30 June 2021 '000	Aggregate options outstandings as at 30 June 2021 '000
Mr Sun Bowen (Director of the Company)	–	300,000	–	300,000
Mr Wee Henry (Controlling shareholder of the Company)	–	300,000	–	300,000

No participant has received 5% or more of the total number of the options available under the Scheme except for the above director, Mr Sun Bowen and a controlling shareholder, Mr Wee Henry.

Except for the above, during the reporting year:

- (i) no other option to take up unissued shares of the Company or its subsidiaries was granted; and there were no shares issued by virtue of the exercise of an option to take up unissued shares.
- (ii) there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at end of the reporting year.

STATEMENT BY DIRECTORS

6. REPORT OF AUDIT COMMITTEE

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

Mr Wee Phui Gam	(Chairman of AC and Lead Independent Director)
Mr Hau Khee Wee	(Member of AC and Independent Director)
Dr Danny Oh Beng Teck	(Member of AC and Independent Director)

The AC performs the functions specified by section 201B (5) of the 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 and information technology controls, and risk management via reviews carried out by the internal 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 Section B: Rules of Catalyst.

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.

STATEMENT BY DIRECTORS

8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the Company, work performed by the internal auditors and the independent 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, compliance risks and information technology controls and risk management systems, are adequate as at and for the reporting year ended 30 June 2021.

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 27 August 2021, 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

Sun Bowen
Director

Wee Phui Gam
Director

30 September 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of IMPERIUM CROWN LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of IMPERIUM CROWN LIMITED (the "**Company**") and its subsidiaries (collectively, 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 2021, 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 Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") 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 2021 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of IMPERIUM CROWN LIMITED

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.

(a) Impairment assessment of property, plant and equipment and intangible assets

Under SFRS(I) 1-36 *Impairment of Assets*, the Group is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired, pursuant to the identification of certain indicators of impairment, including the impact of the volatile and challenging market conditions on their operating performance. The assessment of the recoverable amount requires exercise of significant judgement as disclosed in the Note 2C to the financial statements.

The following assets represent a significant portion of the Group's total assets as at 30 June 2021:

- (i) Property, plant and equipment (Note 12) (15.6% of Group's total assets)

The Group owns significant property, plant and equipment in the People's Republic of China.

- (ii) Intangible assets (Note 14) (82.8% of Group's total assets)

Intangible assets comprise of land use rights and the rights to operate the "Wonder Stone Park" for a period of 50 years commencing 1 May 2017.

Wonder Stone Park project was still under development.

The management assess the recoverable amount based on value in use (discounted cash flow) method. The measurement of value in use as the recoverable amount of each identifiable cash-generating unit ("CGU") involves significant judgment and estimation in determining the cash flow forecasts, and risk-free, discount and terminal growth rates. If there are indicators of impairment, the deficit between the recoverable amount and their carrying value would be recognised in profit and loss.

For the reporting year, the Group made an impairment allowance of \$6,300,000 to further write down the carrying value of operating rights.

This area was significant to our audit because of the significant management judgements involved that require management to make various assumptions in the underlying cash flow forecasts. As such, we determined this to be a key audit matter.

How we addressed the matter in our audit

Our procedures include challenging management's estimates and assumptions used in the value-in-use model through our knowledge of the business and industry. We assessed the competency, capabilities and objectivities of the management. We have also involved our internal valuation specialist to assist us with our audit of the valuation models and of unobservable inputs of those models. We have also reviewed the adequacy of disclosures in this area.

INDEPENDENT AUDITOR'S REPORT

To the Members of IMPERIUM CROWN LIMITED

Key audit matters (cont'd)

(b) Impairment assessment of investment in subsidiaries

Refer to Note 2C – Critical judgements, assumptions and estimation uncertainties, Note 15 – Investment in subsidiaries.

Investment in subsidiaries (including other receivables) accounts for approximately 99.3% of the Company's total assets as at 30 June 2021.

As at 30 June 2021, the carrying value of the Company's investment in subsidiaries comprised mainly investment in Global Media Entertainment ("**GEM**"). One of the subsidiaries indirectly held by GEM, Fei County Wonder Stone Characteristics Town Development Co., Ltd. ("**Wonder Stone**") (collectively known as "**GEM Group**") holds the operating rights to Wonder Stone Park. The development of the Wonder Sone Park is set out in Note 1.

As GEM Group has been loss making, management identified these subsidiaries for impairment testing. The impairment testing requires management to determine the recoverable value amount of these subsidiaries. The valuation process involves significant judgements in determining the appropriate valuation methodology to be used, and the underlying assumptions to be applied.

For the reporting year, the Company made an impairment allowance of \$6,900,000 to further write down the carrying value of investment in GEM.

How we addressed the matter in our audit

Our procedures include the review of the management's impairment assessment of investment in subsidiaries and assessed reasonableness of judgements and assumptions. We assessed the competency, capabilities and objectivities of the management. We have also involved our internal valuation specialist to assist us with our audit of the valuation models and of the unobservable inputs of those models. We have also reviewed the adequacy of disclosures in this area.

Other information

Management is responsible for the other information. The other information comprises the information included in 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 SFRS(I)s, 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of IMPERIUM CROWN LIMITED

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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (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.
- (e) 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.
- (f) 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 those charged with governance 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 those charged with governance 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 those charged with governance, 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of IMPERIUM CROWN LIMITED

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 those subsidiaries 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 Ng Thiam Soon.

RSM Chio Lim LLP

Public Accountants and
Chartered Accountants
Singapore

30 September 2021

Engagement partner – effective from year ended 30 June 2018.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 30 June 2021

	Note	Group	
		2021 \$'000	2020 \$'000
Revenue	5	2,429	1,487
Other income	6	63	486
Depreciation and amortisation expenses	7	(3,901)	(3,527)
Employee benefits expense	8	(1,345)	(1,385)
Other expenses	9	(10,159)	(10,398)
Finance costs	10	(2)	(3)
Loss before tax from continuing operations		(12,915)	(13,340)
Income tax benefit	11	2,356	488
Loss for the year from continuing operations		(10,559)	(12,852)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign exchange differences on translation of foreign operations, net of tax	21A	391	(12)
Other comprehensive income/(loss) for the year, net of tax		391	(12)
Total comprehensive loss for the year		(10,168)	(12,864)
Net loss attributable to:			
Owners of the Company		(5,397)	(10,992)
Non-controlling interests		(5,162)	(1,860)
		(10,559)	(12,852)
Total comprehensive loss attributable to:			
Owners of the Company		(5,012)	(10,999)
Non-controlling interests		(5,156)	(1,865)
		(10,168)	(12,864)
Loss per share			
Currency unit		Cents	Cents
Basic and diluted	24	(0.68)	(1.39)

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	19,493	20,741	77	30
Intangible assets	14	103,318	111,660	-	-
Investments in subsidiaries	15	-	-	38,108	45,132
Trade and other receivables	16	-	-	3,311	3,911
Other financial assets	17	-	-	-	-
Total non-current assets		122,811	132,401	41,496	49,073
Current assets					
Trade and other receivables	16	1,587	2,239	26	23
Cash and cash equivalents	18	321	737	208	565
Total current assets		1,908	2,976	234	588
Total assets		124,719	135,377	41,730	49,661
EQUITY AND LIABILITIES					
Equity					
Share capital	19A	84,190	84,190	84,190	84,190
Treasury shares	19B	(58)	(58)	(58)	(58)
Accumulated losses		(40,919)	(35,522)	(47,650)	(39,477)
Other reserves	21	2,725	2,340	4,598	4,598
Equity, attributable to owners of the Company		45,938	50,950	41,080	49,253
Non-controlling interests		36,439	41,595	-	-
Total equity		82,377	92,545	41,080	49,253
Non-current liabilities					
Deferred tax liabilities	11	24,014	26,371	-	-
Lease liabilities, non-current	23	32	-	32	-
Total non-current liabilities		24,046	26,371	32	-
Current liabilities					
Income tax payable		103	97	-	-
Trade and other payables	22	18,148	16,332	573	376
Lease liabilities, current	23	45	32	45	32
Total current liabilities		18,296	16,461	618	408
Total liabilities		42,342	42,832	650	408
Total equity and liabilities		124,719	135,377	41,730	49,661

STATEMENTS OF CHANGES IN EQUITY

Year ended 30 June 2021

Attributable to owners of the Company

	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Foreign currency translation reserve		Share options reserve \$'000	Non-controlling interests \$'000	Total equity \$'000
				translation reserve \$'000	reserve \$'000			
Group								
Current year								
At 1 July 2020	84,190	(58)	(35,522)	(2,258)	4,598	50,950	41,595	92,545
Changes in equity								
Loss for the year	-	-	(5,397)	-	-	(5,397)	(5,162)	(10,559)
Other comprehensive income for the year	-	-	-	385	-	385	6	391
Total comprehensive loss for the year	-	-	(5,397)	385	-	(5,012)	(5,156)	(10,168)
At 30 June 2021	84,190	(58)	(40,919)	(1,873)	4,598	45,938	36,439	82,377
Previous year								
At 1 July 2019	84,190	(58)	(24,530)	(2,251)	4,598	61,949	43,460	105,409
Changes in equity								
Loss for the year	-	-	(10,992)	-	-	(10,992)	(1,860)	(12,852)
Other comprehensive loss for the year	-	-	-	(7)	-	(7)	(5)	(12)
Total comprehensive loss for the year	-	-	(10,992)	(7)	-	(10,999)	(1,865)	(12,864)
At 30 June 2020	84,190	(58)	(35,522)	(2,258)	4,598	50,950	41,595	92,545

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 30 June 2021

	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Share options reserve \$'000	Total equity \$'000
Company					
Current year					
At 1 July 2020	84,190	(58)	(39,477)	4,598	49,253
Changes in equity					
Loss for the year	-	-	(8,173)	-	(8,173)
At 30 June 2021	84,190	(58)	(47,650)	4,598	41,080
Previous year					
At 1 July 2019	84,190	(58)	(23,524)	4,598	65,206
Changes in equity					
Loss for the year	-	-	(15,953)	-	(15,953)
At 30 June 2020	84,190	(58)	(39,477)	4,598	49,253

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2021

	2021 \$'000	2020 \$'00d Restated [#]
<u>Cash flows from operating activities</u>		
Loss before tax	(12,915)	(13,340)
Adjustments for:		
Depreciation of property, plant and equipment	1,460	987
Amortisation of intangible assets	2,441	2,540
Interest income	(1)	(7)
Finance costs	2	3
Loss on disposal of property, plant and equipment	1,213	-
Allowance for impairment loss on trade receivables	118	26
Allowance for impairment on goodwill	-	6,607
Allowance for impairment on intangible assets	6,300	881
Unrealised foreign exchange losses	137	32
Operating cash flows before changes in working capital	(1,245)	(2,271)
Trade and other receivables	534	(880)
Trade and other payables	(1,725)	2,266
Net cash flows used in operations	(2,436)	(885)
Income taxes paid	-	-
Net cash flows used in operating activities	(2,436)	(885)
<u>Cash flows from investing activities</u>		
Interest received	1	7
Purchase of property, plant and equipment	(204)	(3,156)
Net cash flows used in investing activities	(203)	(3,149)
<u>Cash flows from financing activities</u>		
Lease liabilities	(48)	(47)
Advances from related parties	2,271	2,508
Net cash flows from financing activities	2,223	2,461
Net decrease in cash and cash equivalents	(416)	(1,573)
Cash and cash equivalents at beginning of year	737	2,310
Cash and cash equivalents at end of year (Note 18)	321	737

[#] Restated due to reclassification of amount due to related parties from trade payables to other payables (refer to Note 29).

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

1. GENERAL

Imperium Crown Limited (the “**Company**”) is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars (“\$”), the amount are rounded to the nearest thousand, unless otherwise stated and they cover the Company and its subsidiaries (collectively the “**Group**”).

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The Company is an investment holding company and listed on Catalist, which is a shares market on Singapore Exchange Securities Trading Limited

The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

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

At end of the reporting year, the Group reported total comprehensive loss of \$10.17 million; and as of that date, the Group’s current liabilities exceeded its current assets by \$16.39 million. The Group’s current liabilities as at 30 June 2021 included the amounts owing to related parties of \$14.32 million, in which Executive Chairman has the power and authority to manage the payment obligations to the said related parties if the need ever arises.

At the date of this report, a related party has given an undertaking not to seek for repayment of the current amount of \$7.43 million (equivalent to RMB35.7 million) due by the Group to the related party until all other external liabilities of the Group have been settled and to provide the necessary financial support to the Group to enable it to continue its operations and to pay its debts as and when they fall due.

If the going concern assumption is inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised for amounts other than those at which they are currently recorded in the statement of financial position. In addition, the Company may have to provide for further liabilities that may arise.

The Wonder Stone Park (“**Park**”), the key development project of the Group has an estimated development costs of \$110 million (equivalent to RMB530 million). The estimated development costs has decreased by \$92 million (equivalent to RMB480 million) as compared to the last reporting year due to changes in development plan.

The development costs are expected to be funded through borrowings from related parties and equity. Management has reasonable expectations that adequate financial resources will be available to complete the development of the Park as projected.

Accordingly, the management continues to adopt the going concern basis in preparing the financial statements and the management will continue to monitor the development closely and make adjustments to the development plan where appropriate.

Uncertainties relating to COVID-19 pandemic

The COVID-19 pandemic and the aftermath of the pandemic has caused and continues to cause disruptions resulting in uncertainties surrounding the Group’s business, including its relationships with its existing and future customers, suppliers and employees and the progress of the Park’s development. The pandemic had and will continue to have an adverse effect on the Group’s financial position, financial performance, cash flows and prospects for the foreseeable future. There are still significant uncertainty around the medium to long term impact of the COVID-19 pandemic. The extent to which the Group will be impacted is presently difficult to ascertain. Management will continue to closely monitor the continued economic development and its impact.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

1. GENERAL (cont'd)

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I)s (“SFRS(I) INT”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 (the “Act”) and with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

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 at the end of this footnote, 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 consolidated financial statements are the financial statements of the group 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 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.

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 equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Act, the Company's separate statement of profit or loss and other comprehensive income is not presented.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from hotel operation

Hotel revenue from room rental is recognised at the point in time when service is provided to the customers. Revenue from food and beverage sales and other ancillary services is generally recognised at the point in time when the services are rendered.

Sale of goods

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer generally on delivery of the goods (in this respect, incoterms are considered).

Other income

Rental income 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. Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

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 service 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.

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have each participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute to a certain percentage to the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

2A. Significant accounting policies (cont'd)

Share based compensation

Benefits to employees are also provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("**equity-settled transactions**"). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings. 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.

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 a gain or loss on a non-monetary item is recognised in other comprehensive income, and exchange component of that gain or loss is recognised in other comprehensive income. 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 are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

2A. Significant accounting policies (cont'd)

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 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.

Property, plant and equipment

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. Depreciation is provided on a straight-line method 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:

Motor vehicles	-	10%
Office and other equipment	-	3% – 10%
Renovations, improvements and furniture	-	3% – 20%

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.

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.

Construction-in-progress relating to assets and property under construction is reclassified to the respective categories of property, plant and equipment upon completion of the project. Depreciation only begin when the relevant assets are available for use.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

2A. Significant accounting policies (cont'd)

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment.

The annual rates of depreciation are as follows:

Office premises – 33.3%.

Leases of lessee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded in property, plant and equipment. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of lessor

For a lessor each of lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. 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. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

2A. Significant accounting policies (cont'd)

Business combinations

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 the financial reporting standard on financial instruments. 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 the financial reporting standard on business combinations. 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.

Goodwill and fair value adjustments resulting from the application of purchase accounting at the date of acquisition are treated as assets and liabilities of the foreign entity and are recorded at the exchange rates prevailing at the acquisition date and are subsequently translated at the period end exchange rate.

There were no business combinations during the reporting year.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant notes. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Intangible assets

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

2A. Significant accounting policies (cont'd)

Intangible assets (cont'd)

Goodwill (cont'd)

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over the remaining lease terms. The annual rate of amortisation is as follows:

Land use rights – 2.5%

Operating rights

Operating rights represents the identifiable intangible assets acquired as part of a business combination and initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. Subsequently, the operating rights are amortised over the remaining lease terms. The annual rate of amortisation is as follows:

Operating rights – Over the terms of rights which is 2.0%

Carrying amounts 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets

- (i) Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- (ii) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.
- (iii) Financial asset that is an equity investment measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.
- (iv) Financial asset classified as measured at FVTPL: There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

2A. Significant accounting policies (cont'd)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. 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.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

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.

Impairment assessment of property, plant and equipment and finite intangible assets

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of CGUs are measured based on VIU calculations. The VIU calculations are based on a discounted cash flow models. These calculations require the use of estimates. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions as disclosed in Note 14A could require a material adjustment to the carrying amount of the balances affected.

The carrying amount of the property, plant and equipment and finite intangible assets at the end of the reporting year affected by the assumption are \$19.49 million (2020: \$20.74 million) and \$103.32 million (2020: \$111.66 million) respectively.

Impairment assessment of investment in subsidiaries

Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of investment in subsidiaries at the end of the reporting year affected by the assumption is \$38.11 million (2020: is \$45.13 million) as disclosed in the Note 15 to the financial statements.

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 17 to the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard 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.

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 transfer of resources, services or obligations if any 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 related party transactions and balances below.

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	
	2021 \$'000	2020 \$'000
<u>Related parties</u>		
Development income/(expenses) of the Fei County Wonder Stone Characteristics Town Development Co., Ltd. ^(a)		
- Feixian Yin Du Dian Ti Co., Ltd. (费县银都电梯有限公司)	-	127
- Shandong Yin Guang Bao An Fu Wu Co., Ltd. (山东银光保安服务有限公司)	(57)	(65)
- Shandong Yin Guang Jian Zhu Zhuang Shi Co., Ltd. (山东银光建筑装饰工程有限公司)	-	(178)
Operating (expenses)/income of the Fei County Inzone Wonder Stone Cultural Hotel Co., Ltd. ^(a)		
山东银光钰源有限公司	-	3
山东银光化工集团	16	47
费县银光镁业有限公司	1	1
山东银光文化旅游产业集团有限公司	5	9
蒙山旅游区银光麦饭石文化旅游发展有限公司	4	2
山东银光天宏房地产开发有限公司	-	1
山东银光科技有限公司	10	9
山东银光建筑装饰工程有限公司	27	32
山东银光民爆器材有限公司	7	-
山东银光保安服务有限公司	14	-
费县银光消防服务有限公司	-	(9)
银光麦饭石水厂	(3)	(3)
山东银光保安服务有限公司	(15)	(6)
山东银光抽纱有限公司	(2)	(158)

^(a) These related parties refer to companies in which Mr Sun Bowen or his immediate family has significant or controlling interest.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

3C. Key management compensation

	Group	
	2021	2020
	\$'000	\$'000
Salaries and other short-term employee benefits	592	642

Included in the above amounts are the following items:

	Group	
	2021	2020
	\$'000	\$'000
Remuneration of directors of the Company	432	452
Fees to directors of the Company	160	190

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.

3D. Other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the relevant notes to the financial statements.

The movements in other payables to related parties are as follows:

	Group	
	2021	2020
	\$'000	\$'000
At beginning of year	(10,850)	(8,346)
Advances from a related party	(2,271)	(2,508)
Foreign exchange adjustments	(620)	4
At end of year (Note 22)	(13,741)	(10,850)

Other related parties refer to companies in which Mr Sun Bowen or his immediate family has significant or controlling interest.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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 SFRS(I) 8 *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 two major operating segments: (i) leisure and hospitality segment, and (ii) others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

- (i) The leisure and hospitality segment is those of tourism development and tourism management services.
- (ii) Other segment is those of corporate office function and investment holdings.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation and amortisation, interests and income taxes (called "**Recurring EBITDA**") and (2) operating result before interests and income taxes and other unallocated items (called "**ORBIT**").

4B. Profit or loss from continuing operations and reconciliations

	Leisure and hospitality \$'000	Other segment \$'000	Group \$'000
<u>2021</u>			
Revenue by segments	2,429	-	2,429
Recurring EBITDA	(7,918)	(1,095)	(9,013)
Depreciation and amortisation expenses	(3,855)	(46)	(3,901)
ORBIT	(11,773)	(1,141)	(12,914)
Interest income	1	-	1
Finance costs	-	(2)	(2)
Loss before tax	(11,772)	(1,143)	(12,915)
Income tax expense	2,356	-	2,356
Loss after tax	(9,416)	(1,143)	(10,559)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

4B. Profit or loss from continuing operations and reconciliations (cont'd)

	Leisure and hospitality \$'000	Other segment \$'000	Group \$'000
<u>2020</u>			
Revenue by segments	1,487	-	1,487
Recurring EBITDA	(8,522)	(1,295)	(9,817)
Depreciation and amortisation expenses	(3,451)	(76)	(3,527)
ORBIT	(11,973)	(1,371)	(13,344)
Interest income	1	6	7
Finance costs	-	(3)	(3)
Loss before tax	(11,972)	(1,368)	(13,340)
Income tax expense	488	-	488
Loss after tax	(11,484)	(1,368)	(12,852)

Other segment comprised primarily corporate office expenses which cannot be attributed meaningfully to any particular segment.

4C. Assets and reconciliations

	Leisure and hospitality \$'000	Other segment \$'000	Group \$'000
<u>2021</u>			
Total assets for reportable segments			
- Property, plant and equipment	19,416	77	19,493
- Intangible assets	103,318	-	103,318
- Trade and other receivables	1,561	26	1,587
- Cash and cash equivalent	69	252	321
			<u>124,719</u>
<u>2020</u>			
Total assets for reportable segments			
- Property, plant and equipment	20,711	30	20,741
- Intangible assets	111,660	-	111,660
- Trade and other receivables	2,216	23	2,239
- Cash and cash equivalent	172	565	737
			<u>135,377</u>

Other segment comprised primarily assets which cannot be reasonably allocated to an identified segment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

4D. Liabilities and reconciliations

	Leisure and hospitality \$'000	Other segment \$'000	Group \$'000
<u>2021</u>			
Total liabilities for reportable segment			
- Income tax payable	103	-	103
- Deferred tax liabilities	24,014	-	24,014
- Lease liability, non-current	-	32	32
- Trade and other payables	17,559	589	18,148
- Lease liability, current	-	45	45
			<u>42,342</u>
<u>2020</u>			
Total liabilities for reportable segment			
- Income tax payable	-	97	97
- Deferred tax liabilities	26,371	-	26,371
- Trade and other payables	15,956	376	16,332
- Lease liability, current	-	32	32
			<u>42,832</u>

Other segment comprised primarily liabilities which cannot be reasonably allocated to an identified segment.

4E. Other material items and reconciliations

	Leisure and hospitality \$'000	Other segment \$'000	Group \$'000
<u>2021</u>			
Allowance for impairment on intangible assets	(6,300)	-	(6,300)
Depreciation and amortisation expenses	(3,855)	(46)	(3,901)
Expenditure for non-current assets	(202)	(93)	(295)
<u>2020</u>			
Allowance for impairment on goodwill	(6,607)	-	(6,607)
Allowance for impairment on intangible assets	(881)	-	(881)
Depreciation and amortisation expenses	(3,451)	(76)	(3,527)
Expenditure for non-current assets	(3,162)	(70)	(3,232)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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

4F. Geographical information

	Group	
	2021	2020
	\$'000	\$'000
<hr/>		
Revenue		
- China	2,429	1,487
<hr/>		
Non-current assets		
- China	122,374	132,371
- Singapore	77	30
	<u>122,451</u>	<u>132,401</u>

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

There is no customers with revenue transactions of over 10% of the Group's revenue.

5. REVENUE

	Group	
	2021	2020
	\$'000	\$'000
<hr/>		
Revenue from contracts with customers		
- Park admissions	101	78
- Hotel operations	2,328	1,409
	<u>2,429</u>	<u>1,487</u>

The revenue from contracts with customers are recognised based on point in time. All the contracts are less than 12 months. The customers include commercial consumers, individuals and government authorities.

This is consistent with the revenue information that disclosed for each reporting segment in Note 4 to the financial statements.

6. OTHER INCOME

	Group	
	2021	2020
	\$'000	\$'000
<hr/>		
Interest income	1	7
Government subsidy income	16	390
Jobs Support Scheme [#]	31	-
Others	15	89
	<u>63</u>	<u>486</u>

[#] The purpose of the Job Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid COVID-19.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

7. DEPRECIATION AND AMORTISATION EXPENSES

	Group	
	2021	2020
	\$'000	\$'000
Depreciation from property, plant and equipment (Note 12)	1,460	987
Amortisation of intangible assets (Note 14)	2,441	2,540
	<u>3,901</u>	<u>3,527</u>

8. EMPLOYEE BENEFITS EXPENSE

	Group	
	2021	2020
	\$'000	\$'000
Salaries and wages	1,093	1,110
Contributions to defined contribution plan	92	85
Directors' fee	160	190
	<u>1,345</u>	<u>1,385</u>

9. OTHER EXPENSES

The major components and other selected components include the following:

	Group	
	2021	2020
	\$'000	\$'000
Allowance for impairment on goodwill	-	6,607
Allowance for impairment on intangible assets	6,300	881
Allowance for impairment loss on trade and other receivables	118	26
Audit fees to independent auditors of the Company	69	72
Audit fees to independent auditors of the subsidiaries	20	20
Internal audit fees	20	20
Legal and professional fees	136	388
Loss on disposal of property, plant and equipment	1,213	-
Non-audit fees to independent auditors of the Company	15	22

10. FINANCE COSTS

	Group	
	2021	2020
	\$'000	\$'000
Interest on lease liability	<u>2</u>	<u>3</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

11. INCOME TAX

11A. Components of tax (benefit)/expense recognised in profit or loss

	Group	
	2021 \$'000	2020 \$'000
<hr/>		
<u>Current tax</u>		
Current tax expense	-	97
	-	97
<hr/>		
<u>Deferred tax</u>		
Deferred income tax benefit	(2,356)	(585)
Total income tax benefit	(2,356)	(488)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore statutory income tax rate of 17% (FY2020: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2021 \$'000	2020 \$'000
<hr/>		
Loss before tax	(12,915)	(13,340)
Income tax at the above rate	(2,196)	(2,268)
Non-deductible expenses	1,422	2,316
Income not subject to tax	(2,362)	-
Effect of tax rates in different jurisdictions	(441)	(1,575)
Deferred tax assets not recognised	1,221	1,036
Others	-	3
	(2,356)	(488)

There are no income tax consequences of dividends to owners of the Company.

11B. Deferred tax income recognised in profit or loss

	Group	
	2021 \$'000	2020 \$'000
<hr/>		
Excess of book over tax depreciation on intangible assets	2,356	585
Tax loss carry forwards	(1,221)	(1,036)
Deferred tax assets not recognised	1,221	1,036
	2,356	585

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

11. INCOME TAX (cont'd)

11C. Deferred tax recognised in other comprehensive income

	Group	
	2021	2020
	\$'000	\$'000
Foreign exchange differences on translation of foreign operations	1,326	(224)

11D. Deferred tax assets/(liabilities) in statements of financial position

	Group	
	2021	2020
	\$'000	\$'000
<u>From deferred tax liabilities recognised in profit or loss</u>		
Excess of net book value over tax value of intangible assets arising from business combination	(26,148)	(26,956)
Tax loss carry forwards	4,533	3,312
Deferred tax assets not recognised	(4,533)	(3,312)
<u>From deferred tax liabilities recognised in other comprehensive income</u>		
Foreign exchange differences on translation of foreign operations	2,134	585
Net balance	(24,014)	(26,371)

For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards 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.

For the People's Republic of China, the realisation of the future income tax benefits from tax loss carryforwards is available for a period of 5 years subject to the conditions imposed by law.

For the China companies, the expiry years of tax losses carryforwards are as follows:

	Group	
	2021	2020
	\$'000	\$'000
2022	157	157
2023	247	247
2024	3,885	3,885
2025	4,048	4,048
2026	4,882	-
	13,219	8,337

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

12. PROPERTY, PLANT AND EQUIPMENT

Group	Construction in-progress \$'000	Motor vehicles \$'000	Office and other equipment \$'000	Renovations, improvements and furniture \$'000	Total \$'000
<u>Cost</u>					
At 1 July 2019	16,930	68	669	1,052	18,719
Additions	-	-	1,807	1,425	3,232
Reclassification	(16,898)	-	-	16,898	-
Foreign exchange adjustments	(32)	-	2	(18)	(48)
At 30 June 2020	-	68	2,478	19,357	21,903
Additions	-	-	243	52	295
Disposals	-	-	(82)	(1,347)	(1,429)
Foreign exchange adjustments	-	4	140	1,077	1,221
At 30 June 2021	-	72	2,779	19,139	21,990
<u>Accumulated depreciation</u>					
At 1 July 2019	-	22	90	71	183
Depreciation for the year	-	16	230	741	987
Foreign exchange adjustments	-	-	-	(8)	(8)
At 30 June 2020	-	38	320	804	1,162
Depreciation for the year	-	17	237	1,206	1,460
Disposals	-	-	(76)	(140)	(216)
Foreign exchange adjustments	-	3	19	69	91
At 30 June 2021	-	58	500	1,939	2,497
<u>Carrying value</u>					
At 1 July 2019	16,930	46	579	981	18,536
At 30 June 2020	-	30	2,158	18,553	20,741
At 30 June 2021	-	14	2,279	17,200	19,493

Included in office and other equipment is an amount of \$76,000 relating to right-of-use assets (Note 13).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Renovations, improvements and furniture \$'000	Office and other equipment \$'000	Total \$'000
<u>Cost</u>			
At 1 July 2019	5	6	11
Additions	–	76	76
At 30 June 2020	5	82	87
Additions	–	93	93
Disposal	–	(76)	(76)
At 30 June 2021	5	99	104
<u>Accumulated depreciation</u>			
At 1 July 2019	4	6	10
Depreciation for the year	–	47	47
At 30 June 2020	4	53	57
Depreciation for the year	1	45	46
Disposal	–	(76)	(76)
At 30 June 2021	5	22	27
<u>Carrying value</u>			
At 1 July 2019	1	–	1
At 30 June 2020	1	29	30
At 30 June 2021	–	77	77

Included in office and other equipment is an amount of \$76,000 relating to right-of-use assets (Note 13).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

13. RIGHT-OF-USE ASSETS

The right-of-use assets have been included in property, plant and equipment. The details are as follows:

Group and Company	Office premises \$'000
<u>Cost</u>	
At 1 July 2019 and 30 June 2020	76
Additions	91
Termination	(76)
At 30 June 2021	<u>91</u>
<u>Accumulated depreciation</u>	
At 1 July 2019	-
Depreciation for the year	47
At 30 June 2020	47
Depreciation for the year	44
Termination	(76)
At 30 June 2021	<u>15</u>
<u>Carrying value</u>	
At 1 July 2019	<u>-</u>
At 30 June 2020	<u>29</u>
At 30 June 2021	<u>76</u>

Other information relating to the right-of-use assets are as follows:

	Office premises
Number of right-to-use assets	1
Remaining term	<u>1.6 years</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

14. INTANGIBLE ASSETS

	Group	
	2021 \$'000	2020 \$'000
Other intangible assets (Note 14A)	103,318	111,660
Goodwill (Note 14B)	-	-
	103,318	111,660

14A. Other intangible assets

Group	Land use rights \$'000	Operating rights \$'000	Total \$'000
<u>Cost</u>			
At 1 July 2019	7,626	112,143	119,769
Foreign exchange adjustments	(4)	-	(4)
At 30 June 2020	7,622	112,143	119,765
Foreign exchange adjustments	435	-	435
At 30 June 2021	8,057	112,143	120,200
<u>Accumulated amortisation</u>			
At 1 July 2019	364	4,320	4,684
Amortisation for the year	191	2,349	2,540
At 30 June 2020	555	6,669	7,224
Amortisation for the year	208	2,233	2,441
Foreign exchange adjustments	36	-	36
At 30 June 2021	799	8,902	9,701
<u>Accumulated impairment</u>			
At 1 July 2019	-	-	-
Impairment for the year	-	881	881
At 30 June 2020	-	881	881
Impairment for the year	-	6,300	6,300
At 30 June 2021	-	7,181	7,181
<u>Net book value</u>			
At 1 July 2019	7,262	107,823	115,085
At 30 June 2020	7,067	104,593	111,660
At 30 June 2021	7,258	96,060	103,318

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

14. INTANGIBLE ASSETS (cont'd)

14A. Other intangible assets (cont'd)

Detail of the Group's land use rights:

Address	Land Area (Sq m)	Date of grant	Lease expiry date
Ronghe Village, Feicheng Town, Fei County, Linyi City	27,681	29 December 2017	28 December 2057
Gai Jia Dong Village, Feicheng Town, Fei County, Linyi City	13,409	29 December 2017	28 December 2057
Feixian Town, Ronghe Village office area, Fei County, Linyi City	24,158	31 October 2012	31 October 2052

The amortisation charges is included under depreciation and amortisation expenses.

The intangible assets were tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit ("CGU") exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell or its value-in-use ("VIU").

The VIU was measured by management for financial year ended 30 June 2021 and by an independent professional valuer for financial year ended 30 June 2020. The key assumptions used in VIU measurement are as follow. The VIU is a recurring fair value measurement that categorised as Level 3 of the fair value hierarchy. The quantitative information about the VIU measurement using significant unobservable inputs for the CGU are consistent with those used for the measurement last performed and is analysed as follows:

	2021	2020
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs	11.5%	13.2%
Budgeted growth rates forecasts by management based on expectations	2.5% – 80%	3% – 70%
Long term growth rate	2.5%	3%
Cash flow projections derived from the most recent financial budgets and plans approved by management	11 years	11 years

Actual outcomes could vary from these estimates and the management has identified that a reasonably possible change in following key assumptions could cause the carrying amount of the CGU to exceed its recoverable amount as shown in sensitivity test below.

The intangible assets comprise mainly the operating rights acquired from the acquisition of a subsidiary, Global Entertainment Media Pte Ltd ("GEM") in the financial year ended 30 June 2018. The rights granted the group to operate the Wonder Stone Park for 50 years, commencing from year 2017 to 2067.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

14. INTANGIBLE ASSETS (cont'd)

14A. Other intangible assets (cont'd)

The recoverable amount of the intangible assets was assessed using the VIU method based on 11 years cash flow projections and with the cash flow beyond the 11 year period extrapolated using the estimated growth rate. The adoption of 11 years cash flow projections is to consider the material impact of the developments around the Park in the initial years that will have on profitability on the operating life of the Park.

Sensitivity test

	Other intangible assets \$'000	Property, plant and equipment \$'000
If 10% less favourable in estimated revenue, would be a need to reduce <i>pro-rata</i> the carrying value of CGU, by	22,413	3,970
If 10% less favourable in estimated gross margin, would be a need to reduce <i>pro-rata</i> the carrying value of CGU, by	27,202	4,818
If estimated pre-tax discount rate increased by 1 percentage point, it would be a need to reduce <i>pro-rata</i> the carrying value of CGU by	12,138	2,150

During the reporting year, the Group has made an impairment allowance of \$6,300,000 (FY2020: \$881,000) to write down the carrying value of operating rights associated with the Wonder Stone Park CGU to its recoverable value as at 30 June 2021.

14B. Goodwill

	Group	
	2021 \$'000	2020 \$'000
<u>Carrying value comprising</u>		
At cost	6,607	6,607
Allowance for impairment on goodwill	(6,607)	(6,607)
At end of year	-	-
	Group	
	2021 \$'000	2020 \$'000
Movement during the year, at carrying value		
At beginning of year	-	6,607
Allowance for impairment on goodwill	-	(6,607)
At end of year	-	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

14. INTANGIBLE ASSETS (cont'd)

14B. Goodwill (cont'd)

Goodwill is allocated to a CGU for the purpose of impairment testing as follows:

	Group	
	2021	2020
	\$'000	\$'000
Fei County Wonder Stone Characteristics Town Development Co., Ltd (费县奇石特色小镇发展有限公司)	-	6,607

Goodwill arise from the acquisition of GEM which holds the operating rights to the Wonder Stone Park, through its subsidiary, Fei County Wonder Stone Characteristics Town Development Co., Ltd. The goodwill was tested for impairment with the intangible assets at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell or its VIU. See Note 14A.

The goodwill was written off fully in the previous financial year.

15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	2020
	\$'000	\$'000
<u>Carrying value comprising</u>		
Unquoted equity shares at cost	55,960	55,960
Allowance for impairment	(24,146)	(17,073)
Quasi-equity loans receivable	6,294	6,245
	38,108	45,132

	Company	
	2021	2020
	\$'000	\$'000
<u>Movement during the year, at carrying value</u>		
At beginning of year	45,132	59,714
Impairment allowance	(7,073)	(14,625)
Quasi-equity loans	49	43
At end of year	38,108	45,132
<u>Movements in allowance for impairment</u>		
At beginning of year	17,073	11,675
Impairment allowance charged to profit or loss	7,073	5,398
At end of year	24,146	17,073

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.

The Company has made an impairment allowance of \$6,900,000 (FY2020: \$14,625,000) to write down the carrying value of investment in Global Media Entertainment Pte Ltd. based on the recoverable amount determined using the assumptions in Note 14A.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

15. INVESTMENTS IN SUBSIDIARIES (cont'd)

Following are the carrying value denominated in non-functional currencies:

	Company	
	2021 \$'000	2020 \$'000
Chinese RMB	2,089	2,089
Malaysian Ringgit	-	12
Australian Dollars	-	78

Details of the Company's subsidiaries are as follows:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Effective percentage of equity held by the Group		Cost of investment	
	2021 %	2020 %	2021 \$'000	2020 \$'000
<i>Held by the Company</i>				
ICL Land Sdn Bhd ⁽¹⁾ Malaysia Dormant	100	100	*	*
Development West Pty Ltd ⁽²⁾ Australia Investment holding	100	100	2,450	2,450
WS Global Asset Management Pte Ltd ⁽³⁾ Singapore Dormant	100	100	10	10
Global Entertainment Media Pte Ltd ("GEM") ⁽³⁾ Singapore Investment holding	60	60	53,500	53,500
			55,960	55,960
<i>Held by GEM</i>				
Linyi Yin Sheng Wen Hua Chuan Mei Co., Ltd ("Linyi Yin Sheng") 临沂银升文化传媒有限公司 ⁽⁴⁾ People's Republic of China Investment holding	60	60	12,000	12,000
<i>Held by Linyi Yin Sheng</i>				
Fei County Wonder Stone Characteristics Town Development Co., Ltd ("Wonderstone") 费县奇石特色小镇发展有限公司 ⁽⁴⁾ People's Republic of China Tourism development and tourism management services	54	54	12,070	12,070
<i>Held by Wonderstone</i>				
Fei County Yinsheng Real Estate Co., Ltd ("Yinsheng Real Estate") 费县银升置业有限公司 ⁽⁴⁾⁽⁵⁾ People's Republic of China Real estate development	54	54	-	-
Fei County Inzone Wonder Stone Cultural Hotel Co., Ltd ("Inzone Wonder Stone Cultural Hotel") 费县银座佳悦奇石 文化酒店有限公司 ⁽⁴⁾⁽⁶⁾ People's Republic of China Hotel management services	54	54	291	291

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

15. INVESTMENTS IN SUBSIDIARIES (cont'd)

Notes:

* Amount less than \$1,000.

(1) Not audited as the subsidiary is in the midst of liquidation.

(2) Not audited as this subsidiary is not significant. However, compilation report prepared by CrossCorp Accounting Pty Ltd, a registered accounting firm in Australia was used for consolidation.

(3) Audited by RSM Chio Lim LLP, Singapore.

(4) For the purpose of preparing the Group's consolidated financial statements, these financial statements as at reporting year end were audited by Zhongxinghua Certified Public Accountant LLP, a member of the Chinese Institute of Certified Public Accountants and an approved firm by the China Securities Regulatory Commission.

As is required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

(5) Fei County Yin Sheng Real Estate Co., Ltd was incorporated on 30 May 2018 with registered share capital of RMB30 million (equivalent to \$6 million). However, no capital has been injected as at 30 June 2021.

(6) Fei County Inzone Wonder Stone Cultural Hotel Co., Ltd was incorporated on 13 September 2018 with registered share capital of RMB2 million (equivalent to \$400,000). On 16 October 2018, the subsidiary changed its company name from Fei County Cultural Hotel Management Co., Ltd (费县奇石文化酒店管理有限公司) to 费县奇石文化戴斯酒店管理有限公司 and subsequently on 3 April 2020 changed to Fei County Inzone Wonder Stone Cultural Hotel Co., Ltd. (费县银座佳悦奇石文化酒店有限公司).

On 27 September 2018, the Company entered into a sale and purchase agreement ("**SPA**") with Fortsmith Investments Limited to further acquire 40% of equity interest in GEM for a consideration of \$24 million. Upon the completion of the acquisition, GEM will become a wholly owned subsidiary of the Company. No consideration has been paid by the Company as at end of the current reporting year and to the date of this report. The SPA will automatically lapsed if the acquisition did not take place on or before 31 October 2021.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

15. INVESTMENTS IN SUBSIDIARIES (cont'd)

15A. Material subsidiaries with non-controlling interests

The following table summarises the accumulated non-controlling interests ("NCI") at end of the reporting year.

	Group	
	2021 \$'000	2020 \$'000
Wonderstone	42,584	44,201
Aggregate of other individually immaterial subsidiaries	(6,145)	(2,606)
	<u>36,439</u>	<u>41,595</u>

Set out below are the summarised financial information of GEM.

	2021 \$'000	2020 \$'000
<u>Summarised statement of financial position</u>		
Non-current assets	122,077	114,152
Current assets	1,640	2,279
Current liabilities	(21,720)	(15,998)
Non-current liabilities	(5,394)	(9,999)
Net assets	<u>96,603</u>	<u>90,434</u>
<u>Summarised statement of comprehensive income</u>		
Revenue	2,429	1,487
Loss for the reporting year	(3,247)	(3,997)
Total comprehensive loss	<u>(2,857)</u>	<u>(3,652)</u>
Total comprehensive loss allocated to NCI	<u>(324)</u>	<u>(1,865)</u>
<u>Other summarised information</u>		
Operating cash flows, (decrease)/increase	(2,129)	355
Net cash flows, decrease	<u>(62)</u>	<u>(303)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Trade receivables</u>				
Related parties	162	102	-	-
Outside parties	217	199	-	-
Allowance for impairment	(131)	(26)	-	-
Total trade receivables	248	275	-	-
<u>Other receivables</u>				
Loan receivable from a subsidiary	-	-	3,311	3,911
Deposits	259	246	10	10
Prepayments	731	1,461	12	7
Outside parties	349	257	4	6
Total other receivables	1,339	1,964	3,337	3,934
	1,587	2,239	3,337	3,934
Presented as:				
Current portion	1,587	2,239	26	23
Non-current portion	-	-	3,311	3,911
	1,587	2,239	3,337	3,934
<u>Movements in above allowance on trade receivables</u>				
At beginning of year	(26)	-	-	-
Charge for trade receivables to profit or loss included in other operating expenses	(118)	(26)	-	-
Foreign exchange adjustment	13	-	-	-
At end of year	(131)	(26)	-	-

16A. Trade receivables

The expected credit losses ("ECL") on the above trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on the historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the COVID-19 pandemic. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. A loss allowance balance of \$118,000 (FY2020: \$26,000) for the Group is recognised.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

16. TRADE AND OTHER RECEIVABLES (cont'd)

16B. Other receivables

Included in other receivables is a loan receivable from a subsidiary amounted to \$3,311,000 (2020: \$3,911,000). The movement in loan receivables from a subsidiary is as follows:

	Company	
	2021	2020
	\$'000	\$'000
<u>Movements during the year</u>		
At beginning of year	3,911	3,911
Repayment from subsidiary	(600)	-
At end of year	<u>3,311</u>	<u>3,911</u>

The loan receivable from a subsidiary is interest-free and is repayable in March 2028.

The loan is carried at amortised cost at estimated current lending rate of 4.90% (FY2020: 4.90%) per annum. The carrying amount is a reasonable approximation of fair value (Level 3).

Significant increase or (decrease) in the interest rate in isolation would result in lower or (higher) fair value measurement.

The other receivables shown above are subject to the ECL model under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception they are recorded net of expected 12 month credit losses. At each reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. At the end of the reporting year a loss allowance is recognised at an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition including the impact of the COVID-19 pandemic. No loss allowance was necessary.

17. OTHER FINANCIAL ASSETS

	Level	Group	
		2021	2020
		\$'000	\$'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. However, the project has been suspended.

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.

The fair value of the Trust as at end of the reporting year is determined to be \$Nil (2020: \$Nil).

The management does not have access to the recent financial information of the Trust to-date and the management adopted the assumption that the financial position of the Trust has not changed from the last available financial information as at 30 June 2017 as the development project has been suspended since the previous reporting year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	321	737	208	565

The interest bearing balances are not significant.

18A. Reconciliation of liabilities arising from financing activities

	2020 \$'000	Cash flows \$'000	Non-cash changes \$'000	2021 \$'000
Lease liabilities (Note 23)	32	(48)	91 ^(a) 2 ^(b)	77
Total liabilities from financing activities	32	(48)	93	77

	2019 \$'000	Cash flows \$'000	Non-cash changes \$'000	2020 \$'000
Lease liabilities (Note 23)	-	(47)	76 ^(a) 3 ^(b)	32
Total liabilities from financing activities	-	(47)	79	32

^(a) Recognition of Right-of-use asset (Note 13)

^(b) Accretion of interest

19. SHARE CAPITAL AND TREASURY SHARES

19A. Share capital

	Company	
	Number of shares issued '000	Share capital \$'000
Ordinary shares of no par value		
Balance at beginning and end of the reporting year 30 June 2020 and 2021	790,000	84,190

The ordinary shares of no par value carry no right to fixed income and are fully paid and with one vote per share.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

19. SHARE CAPITAL AND TREASURY SHARES (cont'd)

19B. Treasury shares

	Company	
	Number of shares issued '000	Treasury shares \$'000
Balance at beginning and end of the reporting year 30 June 2020 and 2021	1,000	58

Treasury shares relate to ordinary shares purchased and held by the Company.

Capital management

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).

As of the reporting year end, there are no significant external borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

20. SHARE BASED PAYMENTS

20A. Share options

During the reporting year, no option to take up unissued shares of the Company or its subsidiaries was granted except for the following:

The Company has share option agreements dated 26 February 2018 with Mr Sun Bowen and Mr Wee Henry (together, the "**Option Subscribers**"), which was approved and adopted by its members at an Extraordinary General Meeting held on 29 March 2018. Pursuant to the share option agreements, the Company shall issue to the Option Subscribers an aggregate of 600,000,000 share options (the "**Options**"), with each Option carrying the right to subscribe for one new ordinary share in the Company at the exercise price of \$0.085 (the "Exercise Price") for each new share on the terms and conditions of the Option Agreements (the "**Grant of Options**").

These options are exercisable between 26 February 2018 and 25 February 2023. The options granted were vested upon granting of options.

20B. Activities under the share options scheme

The number of outstanding options at the end of the reporting year was:

Exercise price per share	Date of grant of options	Exercise period	Number of shares at	
			2021 '000	2020 '000
\$0.085	29 March 2018	From 26 February 2018 to 25 February 2023	600,000	600,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

20. SHARE BASED PAYMENTS (cont'd)

20B. Activities under the share options scheme (cont'd)

The following table summarises information about participant share options outstanding at the end of the reporting year:

Participants	Options granted for reporting year ended 2021 '000	Aggregate options granted since commencement to 2021 '000	Aggregate options exercised since commencement to 2020 '000	Aggregate options outstandings as at 2021 '000
Mr Sun Bowen (Director of the Company)	–	300,000	–	300,000
Mr Wee Henry (Controlling shareholder of the Company)	–	300,000	–	300,000

No participant has received 5% or more of the total number of the options available under the Scheme except for the above director, Mr Sun Bowen and a controlling shareholder, Mr Wee Henry.

20C. Share options reserve

	Group and Company	
	2021 \$'000	2020 \$'000
At beginning and end of year	4,598	4,598

The fair value of the share option issued has been measured based on a binomial lattice model.

The inputs used in the measurement of the fair values at grant date were as follows:

	At grant date on 29 March 2018
Share price (cents)	6.70
Exercise price (cents)	8.50
Historical and expected volatility	52.43%
Dividend yield	0.00%
Risk-free interest rate	2.00%
Time to expiration	5 years

Expected volatility was determined taking into consideration the Company's historical weekly share price volatility from 2 March 2017 (date of announcement of new acquisition) to 26 February 2018.

The granting of options to Mr Sun Bowen, the director of the Company have been accounted for as an equity transaction that falls within the scope of SFRS(I) 2 *Share-based Payment* and the fair value of the Share Options had been estimated at \$4,598,000 by an independent professional valuer.

No share options were exercised during the reporting year (FY2020: Nil).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

21. OTHER RESERVES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Foreign currency translation reserve (Note 21A)	(1,873)	(2,258)	-	-
Share options reserve (Note 20C)	4,598	4,598	4,598	4,598
	2,725	2,340	4,598	4,598

21A. Foreign currency translation reserve

Foreign currency 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	
	2021 \$'000	2020 \$'000
At beginning of year	(2,258)	(2,251)
Foreign exchange differences on translation of foreign operations	391	(12)
Attributable to non-controlling interest	(6)	5
At end of year	(1,873)	(2,258)

22. TRADE AND OTHER PAYABLES

	Group			Company	
	30.06.2021 \$'000	30.06.2020 \$'000	01.07.2019 \$'000	2021 \$'000	2020 \$'000
		Restated [#]	Restated [#]		
<u>Trade payables</u>					
Outside parties	3,262	4,334	2,295	15	22
Related parties	580	787	641	-	-
Total trade payables	3,842	5,121	2,941	15	22
<u>Other payables</u>					
Amount owing to other related parties (Note 3)	13,741	10,850	8,342	-	-
Accrued expenses	565	361	275	558	354
Total other payables	14,306	11,211	8,617	558	354
Total trade and other payables	18,148	16,332	11,558	573	376

Amount owing to other related parties are interest-free, unsecured and repayable on demand.

[#] Restated due to reclassification of amount due to related parties from trade payables to other payables (refer to Note 29).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

23. LEASE LIABILITIES

	Group and Company	
	2021	2020
	\$'000	\$'000
Lease liabilities, non-current	32	-
Lease liabilities, current	45	32
	<u>77</u>	<u>32</u>

Movements in lease liabilities are as follows:

	Group and Company	
	2021	2020
	\$'000	\$'000
At beginning of year	32	76
Additions	91	-
Accretion of interest	2	3
Repayments	(48)	(47)
At end of year	<u>77</u>	<u>32</u>

The reporting entity has a lease relating to the office space. Other information about the leasing activities are summarised as follows: the lease prohibits the lessee from selling or pledging the underlying leased asset as security unless permitted by the owner; with remaining term of 1.6 years; there are no variable payments linked to an index; there is option to extend the lease for a further term.

Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use-assets are disclosed in Note 13.

The weighted average incremental borrowing rate applied to lease liabilities recognised was 5.25% (2020: 5.25%) per annum.

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

	Group and Company		
	Minimum payments	Finance charges	Present value
	\$'000	\$'000	\$'000
<u>2021</u>			
Not later than 1 year	48	(3)	45
Due within 2 to 5 years	32	*	32
	<u>80</u>	<u>(3)</u>	<u>77</u>
<u>2020</u>			
Not later than 1 year	32	*	32
	<u>32</u>	<u>*</u>	<u>32</u>

* Amount less than \$1,000.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

At reporting year date there were no commitments on leases which had not yet commenced.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

24. LOSS PER SHARE

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

	Group	
	2021	2020
	\$'000	\$'000
<hr/>		
Numerator:		
Loss attributable owners of the Company		
Total basic and diluted earnings	(5,397)	(10,992)
	<hr/>	<hr/>
	'000	'000
<hr/>		
Denominator:		
Weighted average number of equity shares		
Basic and diluted	789,000	789,000

The Company has granted 600,000,000 share options at exercise price of \$0.085 to Mr Sun Bowen and Mr Wee Henry. There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

25. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the financial year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2021	2020
	\$'000	\$'000
<hr/>		
Commitment to take up shares in Linyi Yin Sheng through GEM	8,000	8,000
Commitment to take up shares in Wonderstone through Linyi Yin Sheng	6,415	6,068
Commitment to take up shares in Yin Sheng Real Estate through Wonderstone	5,616	5,312
Commitment to develop Project Wonder Stone Park located in Shandong Province of the People's Republic of China	110,000	202,000
	<hr/>	<hr/>
	130,031	221,380

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

26. FINANCIAL INSTRUMENTS

26A. 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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Financial assets</u>				
Financial assets at amortised cost	1,908	2,976	234	588
	<u>1,908</u>	<u>2,976</u>	<u>234</u>	<u>588</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	18,225	16,364	650	408
	<u>18,225</u>	<u>16,364</u>	<u>650</u>	<u>408</u>

Further quantitative disclosures are included throughout these financial statements.

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

26B. 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.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

26C. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

26. FINANCIAL INSTRUMENTS (cont'd)

26D. 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. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets 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. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 18 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

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

26E. Liquidity risk – financial liabilities maturity analysis

The 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. There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The average credit period taken to settle trade payables is about 60 days (2020: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

	Group		Group	
	Less than 1 year 2021 \$'000	Less than 1 year 2020 \$'000	More than 1 year 2021 \$'000	More than 1 year 2020 \$'000
Trade and other payables	18,148	16,332	-	-
Gross finance lease obligations	48	32	32	-
At end of year	18,196	16,364	32	-

	Company		Company	
	Less than 1 year 2021 \$'000	Less than 1 year 2020 \$'000	More than 1 year 2021 \$'000	More than 1 year 2020 \$'000
Trade and other payables	573	376	-	-
Gross finance lease obligations	48	32	32	-
At end of year	621	408	32	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

26. FINANCIAL INSTRUMENTS (cont'd)

26F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The interest from financial assets including cash balances is not significant.

26G. Foreign currency risks

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

	USD \$'000
<hr/>	
<u>Group</u>	
<u>2021</u>	
<u>Financial assets</u>	
Cash and cash equivalents	14
Net financial assets at end of year	<u>14</u>
<u>2020</u>	
<u>Financial assets</u>	
Cash and cash equivalents	15
Net financial assets at end of year	<u>15</u>
<u>Company</u>	
<u>2021</u>	
<u>Financial assets</u>	
Cash and cash equivalents	14
Net financial assets at end of year	<u>14</u>
<u>2020</u>	
<u>Financial assets</u>	
Cash and cash equivalents	14
Net financial assets at end of year	<u>14</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

27. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Adoption of the applicable new or revised standards has resulted in some changes in the detailed application of the accounting policies and some modifications to financial statements presentation and measurement as disclosed below.

SFRS (I) No.	Title
SFRS (I) 3	Definition of a Business – Amendments
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to
SFRS (I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments to The Conceptual Framework for Financial Reporting
SFRS (I) 16	COVID-19 Related Rent Concessions – Amendment to (effective from 30 June 2020)

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

For the future reporting years certain new or revised financial reporting standards 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 any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
SFRS (I) 3	Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
Various	Annual Improvements to SFRS(I)s 2019-2020a	1 January 2022
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

29. RECLASSIFICATIONS AND COMPARATIVE FIGURES

The financial statements for the financial years ended 30 June 2020 have been restated as result of reclassification of amount due to related parties from trade payables to other payables. The reclassification is made to enhance comparability with current year's financial statement.

As is required by the financial reporting standard on the presentation of financial statements, the consolidated statement of cash flows at the beginning of the current reporting year and end of the preceding reporting year is presented.

The reclassifications are summarised as follows:

	Reclassifications		
	After \$'000	Before \$'000	Difference \$'000
<u>2020 Consolidated Statement of Cash Flows</u>			
<u>Cash Flows from operating activities</u>			
Trade and other payables	2,266	4,774	(2,508)
Net cash flows used in operating activities	(885)	1,623	(2,508)
<u>Cash flows from financing activities</u>			
Advances from related parties	2,508	-	2,508
Net cash flows from financing activities	2,461	(47)	2,508

STATISTICS OF SHAREHOLDINGS

As at 24 September 2021

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	:	Nil
Percentage of the aggregate number of treasury shares and subsidiary holdings held 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 and subsidiary holdings)	%
1 – 99	0	0.00	0	0.00
100 – 1,000	33	5.58	17,775	0.00
1,001 – 10,000	62	10.49	354,200	0.05
10,001 – 1,000,000	435	73.61	84,667,800	10.73
1,000,001 and above	61	10.32	703,960,225	89.22
Total	591	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	205,643,225	26.06	–	–
Li Shanhua	100,000,000	12.67	–	–
Sun Xiaohui	80,000,000	10.14	–	–
Sino Achieve Enterprises Limited (“Sino”)	60,000,000	7.60	–	–
Wong Koon Lup ⁽¹⁾	–	–	60,000,000	7.60

Note:

(1) 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 SHAREHOLDINGS

As at 24 September 2021

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Nomura Singapore Limited	104,761,900	13.28
2.	HSBC (Singapore) Nominees Pte Ltd	103,925,925	13.17
3.	Li Shanhua	100,000,000	12.67
4.	Sun Xiaohui	80,000,000	10.14
5.	Yap Beo Giap	27,000,000	3.42
6.	OCBC Securities Private Limited	25,865,700	3.28
7.	Bong Yew Keng (Huang Youqing)	18,414,600	2.33
8.	Quek Chek Lan	18,217,900	2.31
9.	Raffles Nominees (Pte.) Limited	16,159,000	2.05
10.	Citibank Nominees Singapore Pte Ltd	14,475,000	1.83
11.	CGS-CIMB Securities (Singapore) Pte. Ltd.	13,305,000	1.69
12.	Lim Hung	13,000,000	1.65
13.	DBS Nominees (Private) Limited	12,091,500	1.53
14.	Tan Kay Cheng	11,500,000	1.46
15.	David Yeo Yong Heng (Yang Yongxin)	11,250,000	1.43
16.	Phillip Securities Pte Ltd	9,632,800	1.22
17.	Ng Khim Guan @Ngadimin	9,000,000	1.14
18.	Wang Zhaoping	8,000,000	1.01
19.	United Overseas Bank Nominees (Private) Limited	7,458,000	0.95
20.	Phua Gek Soon	7,039,100	0.89
	Total	611,096,425	77.45

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

43.52% 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 (“**AGM**” or the “**Meeting**”) of Imperium Crown Limited (the “**Company**”) will be convened and held by way of electronics means on Friday, 29 October 2021, 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 2021 together with the Auditors’ Report thereon.

(Resolution 1)

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

Mr Wee Phui Gam (under Article 117)

(Resolution 2)

Mr Hau Khee Wee (under Article 117)

(Resolution 3)

Mr Tan Keng Keat (under Article 122)

(Resolution 4)

*Mr Wee Phui Gam 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 for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).*

Mr Hau Khee Wee will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating and Remuneration Committees respectively and a member of the Audit Committee, and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST.

3. To approve the payment of Directors’ fees of S\$160,000 for the financial year ending 30 June 2022, payable quarterly in arrears (for the financial year ending 30 June 2021: S\$160,000).

(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 AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, 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 (the “**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (the “**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,

NOTICE OF ANNUAL GENERAL MEETING

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, 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;

Adjustments in accordance with (a) and (b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (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), all applicable legal requirements under the Companies Act, and otherwise, 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)

By Order of the Board

Lau Yan Wai

Secretary

Singapore, 14 October 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note:

- (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 7 is passed after adjusting for (i) 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 7 is passed; and (ii) any subsequent bonus issue, consolidation or subdivision of Shares.

Notes:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members of the Company (the “**Members**”). Instead, this Notice of AGM will be sent to Members by electronic means via publication on the Company’s corporate website at the URL <https://www.imperium-crown.com/news>. This Notice of AGM will also be made available on the SGX’s website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to (i) attendance at the AGM via electronic means (including arrangements by which the Meeting can be electronically accessed via “live” audio-visual webcast or “live” audio-only stream); (ii) submission of questions in advance in relation to any resolution set out in this Notice prior to the AGM; (iii) addressing of substantial and relevant questions at the AGM prior to, or at, the AGM; and (iv) voting by appointing only the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company’s announcement dated 14 October 2021. This announcement may be accessed at the Company’s corporate website at the URL <https://www.imperium-crown.com/news>, and will also be made available on the SGX’s website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **To minimise physical interactions and COVID-19 transmission risks, a Member will not be able to attend the AGM in person. A Member (whether individual or corporate) must appoint only the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such Member wishes to exercise his/her/its voting rights at the Meeting.** The accompanying proxy form for the AGM may be accessed at the Company’s corporate website at the URL <https://www.imperium-crown.com/news>, and will also be made available on the SGX’s website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a Member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which; the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Central Provident Fund (“**CPF**”) or Supplemental Retirement Scheme (“**SRS**”) investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on Tuesday, 19 October 2021.

4. The Chairman of the Meeting, as proxy, need not be a Member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
- (a) if submitted by post, be deposited at the registered office of the Company at 1 Commonwealth Lane, #06-20 One Commonwealth, Singapore 149544; or
 - (b) if submitted electronically, be sent via email to the Company, at agm2021@imperium-crown.com,

in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

A Member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe management measures which may make it difficult for Members to submit completed proxy forms by post, Members are strongly encouraged to submit completed proxy forms electronically via email.

6. The Company's annual report for the financial year ended 30 June 2021 may be accessed at the Company's corporate website at the URL <https://www.imperium-crown.com/news> and will also be made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

Personal Data Privacy:

By submitting (a) the Proxy Form appointing the Chairman of the Meeting as proxy to vote at the AGM of the Company and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via "live" audio-visual webcast or "live" audio-only stream, or (c) questions in advance in relation to any resolution set out in the Notice of AGM, a Member of the Company consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of Proxy Forms appointing the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes (including questions and answers) and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to Members (or their corporate representatives in the case of Members which are legal entities) to observe and/or listen the proceedings of the AGM via "live" audio-visual webcast or "live" audio-only stream and providing them with any technical assistance where necessary;
- (iii) addressing all substantial and relevant questions received from Members relating to the resolutions set out in the Notice of AGM to be tabled for approval at the AGM prior to the AGM and if necessary, following up with the relevant Members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a Member may be recorded by the Company (or its agents or service providers) for such purposes.

IMPORTANT NOTICE FOR ALTERNATIVE ARRANGEMENT FOR ANNUAL GENERAL MEETING

1. The Annual General Meeting ("AGM" or the "Meeting") of Imperium Crown Limited (the "Company") is being convened, and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM dated 14 October 2021 will not be sent to members of the Company (the "Members"). Instead, the Notice of AGM will be sent to Members by electronic means via publication on the Company's corporate website at the URL <https://www.imperium-crown.com/news>. The Notice of AGM will also be made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to (i) attendance at the AGM via electronic means (including arrangements by which the Meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (ii) submission of questions in advance in relation to any resolution set out in the Notice of AGM prior to the AGM; (iii) addressing of substantial and relevant questions prior to, or at, the AGM; and (iv) voting by appointing only the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 14 October 2021. This announcement may be accessed at the Company's corporate website at the URL <https://www.imperium-crown.com/news>, and will also be made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **To minimise physical interactions and COVID-19 transmission risks, a Member will not be able to attend the AGM in person. A Member (whether individual or corporate) must appoint only the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such Member wishes to exercise his/her/its voting rights at the AGM.**
4. Central Provident Fund ("CPF") or Supplemental Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on Tuesday, 19 October 2021.
5. By submitting this proxy form appointing the Chairman of the Meeting as proxy, the Member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 October 2021.
6. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a Member's proxy to vote on his/her/its behalf at the AGM.

*I/We, _____ (Name)

_____ (NRIC/Passport/Company Registration Number)

of _____ (Address)

being a Member/Members of the Company, hereby appoint the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf, at the AGM of the Company to be convened and held by way of electronic means on Friday, 29 October 2021, at 10.00 a.m. and at any adjournment thereof.

* Delete where inapplicable

No.	Resolutions relating to:	Number of Shares**		
		For**	Against**	Abstain**
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2021 together with the Auditors' Report			
2	Re-election of Mr Wee Phui Gam as a Director			
3	Re-election of Mr Hau Khee Wee as a Director			
4	Re-election of Mr Tan Keng Keat as a Director			
5	Approval of Directors' fees amounting to S\$160,000 for the financial year ending 30 June 2022 (for the financial year ended 30 June 2021: S\$160,000)			
6	Re-appointment of Messrs RSM Chio Lim LLP as Auditors			
7	Authority to allot and issue new shares			

** Note: Voting will be conducted by poll for all resolutions. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please tick "✓" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a tick "✓" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of October 2021

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

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. A Member of the Company should insert the total number of shares held. If the Member has shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), he/she/it should insert that number of shares. If the Member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the Member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the Member of the Company.
2. **To minimise physical interactions and COVID-19 transmission risks, a Member will not be able to attend the AGM in person. A Member (whether individual or corporate) must appoint only the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such Member wishes to exercise his/her/its voting rights at the Meeting.** This proxy form may be accessed at the Company's corporate website at the URL <https://www.imperium-crown.com/news>, and will also be made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a Member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which; the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on Tuesday, 19 October 2021.

"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 license to provide custodial services for securities under the Securities and Futures Act, Cap. 289 and who holds shares in that capacity; or
- (c) the CPF Board established by the CPF 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 CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The Chairman of the Meeting, as proxy, need not be a Member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the registered office of the Company at 1 Commonwealth Lane, #06-20 One Commonwealth, Singapore 149544; or
 - (b) if submitted electronically, be submitted via email to the Company, at agm2021@imperium-crown.com,

in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

A Member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe management measures which may make it difficult for Members to submit completed proxy forms by post, Members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting 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 of proxy, failing which; the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing or treated as appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing or treated as appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of Members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing or treated as appointing the Chairman of the Meeting as proxy lodged if such Members, being the appointer, are not shown to have shares entered against their names 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.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to vote at the AGM of the Company and/or any adjournment thereof, the Member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 October 2021.



**IMPERIUM
CROWN**

IMPERIUM CROWN LIMITED

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