

**IMPERIUM CROWN LIMITED**

**(The “Company”)**



**Full-Year Financial  
Statements for the Financial Year  
Ended 30 June 2017**

**25 August 2017**

**Company Registration Number: 1995-05053-Z**

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Note:

- Numbers in all tables may not exactly add due to rounding

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**UNAUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2017**

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**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY  
(Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Note	The Group		Increase/ (Decrease) %
		12 months ended 30 June		
		2017 Unaudited S\$'000	2016 Audited S\$'000	
Revenue	A	4,866	4,742	2.6
Less: Property operating expenses	B	(2,193)	(1,773)	23.7
<b>Net property income</b>		<b>2,673</b>	<b>2,969</b>	<b>(10.0)</b>
Other income	C	97	197	(50.8)
Depreciation of property, plant and equipment	D	(12)	(14)	(14.3)
Other operating expenses	E	(7,678)	(1,528)	402.5
Finance costs	F	(617)	(554)	11.4
Net fair value gain/(loss) on financial derivatives	G	301	(450)	n.m.*
Net fair value gain/(loss) on investment properties	H	1,099	(16,501)	n.m.*
<b>Loss before tax</b>		<b>(4,137)</b>	<b>(15,881)</b>	<b>73.9</b>
Income tax (expense)/benefit	I	(2,548)	3,505	n.m.*
<b>Loss for the year</b>		<b>(6,685)</b>	<b>(12,376)</b>	<b>46.0</b>
<b><u>Other comprehensive income</u></b>				
<b>Items that will not be reclassified to profit or loss</b>				
Revaluation of property, plant and equipment, net of tax		–	504	n.m.*
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translating foreign operations, net of tax		(2,859)	9,350	n.m.*
Other comprehensive (loss)/income for the year, net of tax		(2,859)	9,854	n.m.*
<b>Total comprehensive loss for the year</b>		<b>(9,544)</b>	<b>(2,522)</b>	<b>n.m.*</b>

\*n.m. – not meaningful

Please refer to paragraph 8 on pages 12 to 14 for further explanations of the respective Notes.

**1(a)(ii) Profit/(loss) before taxation is stated after charging/(crediting) the following :-**

	<b>The Group</b>		
	<b>12 months ended 30 June</b>		
	<b>2017</b>	<b>2016</b>	<b>Increase/</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>(Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Loss on disposal of property, plant and equipment	33	–	n.m.*
Allowance for impairment loss on trade receivables	14	1	1,300.0
Net foreign exchange loss	171	50	242.0
Interest income	(11)	(55)	(80.0)

\* n.m. – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group		Company	
		30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000
		Unaudited	Audited	Unaudited	Audited
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		5	50	5	50
Investment properties		–	94,066	–	880
Investments in subsidiaries		–	–	36,211	36,357
Trade and other receivables		6,000	–	6,000	–
Other financial asset		–	–	–	–
<b>Total non-current assets</b>	J	<u>6,005</u>	<u>94,116</u>	<u>42,216</u>	<u>37,287</u>
<b>Current assets</b>					
Assets held for sale		67,020	–	–	–
Trade and other receivables		217	277	14	39
Cash and cash equivalents		1,160	5,261	731	4,796
Restricted cash		3,196	4,205	–	–
<b>Total current assets</b>	K	<u>71,593</u>	<u>9,743</u>	<u>745</u>	<u>4,835</u>
<b>Total assets</b>		<u><b>77,598</b></u>	<u><b>103,859</b></u>	<u><b>42,961</b></u>	<u><b>42,122</b></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		47,815	47,815	47,815	47,815
Treasury shares		(58)	(58)	(58)	(58)
Accumulated losses		(10,353)	(4,172)	(5,379)	(7,243)
Other reserves		6,599	9,962	–	504
<b>Total equity</b>		<u><b>44,003</b></u>	<u><b>53,547</b></u>	<u><b>42,378</b></u>	<u><b>41,018</b></u>
<b>Non-current liabilities</b>					
Deferred tax liabilities		2,576	1,502	–	103
Borrowings		–	44,892	–	–
Security deposits		926	1,157	–	–
Derivative financial instruments		50	270	50	270
<b>Total non-current liabilities</b>	L	<u>3,552</u>	<u>47,821</u>	<u>50</u>	<u>373</u>
<b>Current liabilities</b>					
Trade and other payables		675	1,621	434	551
Borrowings		28,858	367	–	–
Security deposits		147	–	–	–
Deferred revenue		264	323	–	–
Derivative financial instruments		99	180	99	180
<b>Total current liabilities</b>	M	<u>30,043</u>	<u>2,491</u>	<u>533</u>	<u>731</u>
<b>Total liabilities</b>		<u>33,595</u>	<u>50,312</u>	<u>583</u>	<u>1,104</u>
<b>Total equity and liabilities</b>		<u><b>77,598</b></u>	<u><b>103,859</b></u>	<u><b>42,961</b></u>	<u><b>42,122</b></u>

Please refer to paragraph 8 on pages 14 to 15 for further explanations of the respective Notes.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**(a) Amount repayable in one year or less, or on demand**

	As at 30 June 2017		As at 30 June 2016	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Gross borrowings	29,045	–	463	–
Less: Transaction costs in relation to the bank loans	(187)	–	(96)	–
Net borrowings	<b>28,858</b>	–	<b>367</b>	–

**(b) Amount repayable after one year**

	As at 30 June 2017		As at 30 June 2016	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Gross borrowings	–	–	45,093	–
Less: Transaction costs in relation to the bank loans	–	–	(201)	–
Net borrowings	–	–	<b>44,892</b>	–

**(c) Details of any collateral**

Total borrowings of S\$28,858,000 as at 30 June 2017 (30 June 2016: S\$45,259,000) are secured by the four Japanese investment properties, namely Hatchobori Place, Green Forest Itabashi, NCA Minowa and NCA Kuramae of the Group valued at S\$67,020,000 (30 June 2016: S\$93,186,000) in aggregate.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<b>Group</b>	
	<b>12 months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash Flows From Operating Activities</b>		
Loss before tax	(4,137)	(15,881)
<b>Adjustments for:</b>		
Amortisation of long-term prepaid consumption tax	–	21
Depreciation of property, plant and equipment	12	14
Interest income	(11)	(55)
Finance costs	617	554
Loss on disposal of property, plant and equipment	36	–
Net fair value (gain)/loss on financial derivatives	(301)	450
Net fair value (gain)/loss on investment properties	(1,099)	16,501
Loss on disposal of investment properties	2,682	–
Impairment loss on financial assets	2,448	–
Operating cash flows before changes in working capital	247	1,604
Trade and other receivables	1,519	292
Trade and other payables	(870)	433
Deferred revenue	(36)	57
<b>Net cash flows from operations</b>	860	2,386
Income taxes paid	(1,562)	(71)
<b>Net cash flows (used in)/from operating activities</b>	(702)	2,315

	12 months ended	
	30 June 2017	30 June 2016
	Unaudited S\$'000	Audited S\$'000
<b>Cash Flows From Investing Activities</b>		
Acquisition of investment properties (including acquisition related costs and capital expenditures)	(290)	(21,028)
Deposits	(6,000)	–
Proceeds from disposal of investment properties	19,210	–
Acquisition of subsidiary	(2,447)	–
Interest received	11	52
Purchases of property, plant and equipment	(3)	(51)
<b>Net cash flows from/(used in) investing activities</b>	10,481	(21,027)
<b>Cash Flows From Financing Activities</b>		
Dividend paid	–	(489)
Proceeds from bank borrowings	–	22,348
Repayment of bank borrowings	(14,032)	(7,070)
Purchase of treasury shares	–	(58)
Security deposits	(2)	(288)
Interest paid	(525)	(472)
Restricted cash	712	(612)
<b>Net cash flows (used in)/from financing activities</b>	(13,847)	13,359
<b>Net decrease in cash and cash equivalents</b>	(4,068)	(5,353)
Cash and cash equivalents at beginning of year	5,261	10,530
Effects of currency translation on cash and cash equivalents	(33)	84
<b>Cash and cash equivalents, consolidated statement of cash flows, end of financial year</b>	1,160	5,261



**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Share capital	Translation reserves	Revaluation reserves	Treasury shares	Retained earnings/ (accumulated losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>The Group</u></b>						
<b>Balance as at 1 July 2015 (Audited)</b>	47,815	108	–	–	8,693	56,616
Purchase of treasury shares	–	–	–	(58)	–	(58)
Dividends paid	–	–	–	–	(489)	(489)
Loss, net of tax	–	–	–	–	(12,376)	(12,376)
Exchange differences on translating foreign operations	–	9,350	–	–	–	9,350
Revaluation of property, plant and equipment	–	–	504	–	–	504
<b>Balance as at 30 June 2016 (Audited)</b>	47,815	9,458	504	(58)	(4,172)	53,547
Loss, net of tax	–	–	–	–	(6,685)	(6,685)
Exchange differences on translating foreign operations	–	(2,859)	–	–	–	(2,859)
Transferred to retained earnings	–	–	(504)	–	504	–
<b>Balance as at 30 June 2017 (Unaudited)</b>	47,815	6,599	–	(58)	(10,353)	44,003

	Share capital	Treasury shares	Revaluation reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>The Company</u></b>					
<b>Balance as at 1 July 2015 (Audited)</b>	47,815	–	–	(6,268)	41,547
Purchase of treasury shares	–	(58)	–	–	(58)
Dividends paid	–	–	–	(489)	(489)
Loss, net of tax	–	–	–	(486)	(486)
Revaluation of property, plant and equipment	–	–	504	–	504
<b>Balance as at 30 June 2016 (Audited)</b>	47,815	(58)	504	(7,243)	41,018
Profit, net of tax	–	–	–	1,360	1,360
Transferred to retained earnings	–	–	(504)	504	–
<b>Balance as at 30 June 2017 (Unaudited)</b>	47,815	(58)	–	(5,379)	42,378

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Issued and fully paid ordinary share capital

	<b>Number of Shares '000</b>	<b>Issued share capital S\$'000</b>
Balance as at 31 December 2016 and as at 30 June 2017 (excluding Treasury Shares)	489,000	47,815

There was no change in the Company's share capital between 1 January 2017 and 30 June 2017.

As at 30 June 2017, the Company held 1,000,000 ordinary shares as treasury shares (30 June 2016: 1,000,000).

The total number of issued shares of the Company excluding treasury shares and subsidiary holdings as at 30 June 2017 and 30 June 2016 were 489,000,000 shares.

The Company has no outstanding convertible shares as at 30 June 2016 and 30 June 2017.

Treasury shares and subsidiary holdings

	<b>30 June 2017</b>	<b>30 June 2016</b>
Treasury shares	1,000,000	1,000,000
Subsidiary holdings	-	-
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	0.2%	0.2%

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>30 June 2017 '000</b>	<b>30 June 2016 '000</b>
Total number of issued shares	490,000	490,000
Treasury shares	(1,000)	(1,000)
Total number of issued shares, excluding treasury shares	<u>489,000</u>	<u>489,000</u>

**1(d)(iv) A statement showing all sales, transfers, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, cancellations and/or use of treasury shares by the Company as at 30 June 2017 (30 June 2016: Nil).

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no sales, transfers, cancellations and/or use of subsidiary holdings by the Company as at 30 June 2017 (30 June 2016: Nil).

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 30 June 2016.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and are effective for financial periods beginning on or after 1 July 2016. The adoption of these new or revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies and

does not have any material impact on the Group's financial statements for the financial year ended 30 June 2017.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**
- (a) based on the weighted average number of ordinary shares on issue; and  
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	<b>The Group</b>	
	<b>12 months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Loss attributable to equity holders of the Company	(6,685)	(12,376)
Weighted average number of ordinary shares	No. of shares '000 489,000	No. of shares '000 489,495
<b>Loss per share</b>		
Basic and diluted loss per share *		
Singapore cents	(1.37)	(2.53)

Note:

\*Based on the weighted average number of ordinary shares in issue during the respective financial periods. The basic and diluted EPS were the same as there were no potentially dilutive securities in issue as at 30 June 2017 and 30 June 2016.

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- (a) current financial period reported on; and  
 (b) immediately preceding financial year.

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 June 2017</b>	<b>As at 30 June 2016</b>	<b>As at 30 June 2017</b>	<b>As at 30 June 2016</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
Net asset value ("NAV") (in S\$'000)	44,003	53,547	42,378	41,018
No. of ordinary shares ('000), excluding treasury shares	489,000	489,000	489,000	489,000
NAV per ordinary share based on Issued share capital (Singapore cents)	9.00	10.95	8.67	8.39

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### **STATEMENT OF COMPREHENSIVE INCOME**

The Group's revenue was mainly derived from a mixed portfolio of five investment properties in Tokyo, Japan, of which an initial three investment properties were acquired in the financial year ended 30 June 2015 (the "**Acquisition**"); and two residential properties were subsequently acquired (the "**Subsequent Acquisition**") in the financial year ended 30 June 2016 ("**FY2016**").

During the financial year ended 30 June 2017 ("**FY2017**"), sale and purchase agreements were signed to dispose of the following 3 Japanese investment properties:

- a. Green Forest Kuramae ("**GF Kuramae**") - disposal was completed in late April 2017;
- b. New City Apartment Minowa ("**NCA Minowa**") - disposal was completed in late July 2017 and hence as of 30 June 2017, NCA Minowa continued to be presented as an investment property classified as assets held for sale; and
- c. New City Apartment Kuramae ("**NCA Kuramae**") - disposal was completed in late July 2017 and hence as of 30 June 2017, NCA Kuramae continued to be presented as an investment property classified as assets held for sale.

In FY2016, the Company reclassified its investment property in Bukit Batok, Singapore, from property, plant and equipment to investment properties. This property was disposed of in FY2017.

#### **Note A**

Revenue was S\$4.866 million for FY2017 compared to S\$4.742 million for FY2016.

The increase in revenue contribution arose from the Hatchobori property, which was fully leased out in the 3<sup>rd</sup> quarter of FY2017 compared to the corresponding period in FY2016 where certain units and an entire floor were vacant.

Notwithstanding the completion of the sale of GF Kuramae in late April 2017, the increased revenue contribution from the Hatchobori property more than offset the decrease in revenue contribution from GF Kuramae.

#### **Note B**

Property operating expenses had increased mainly due to higher commission expenses incurred in connection with the disposal of the Japanese investment properties.

Note C

Other income decreased by S\$0.100 million from S\$0.197 million in FY2016 to S\$0.097 million in FY2017 mainly due to the decrease in fixed deposit interest income.

Note D

Depreciation of property, plant and equipment decreased by S\$0.002 million from S\$0.014 million in FY2016 to S\$0.012 million in FY2017 mainly due to disposal of remaining office equipment during the last quarter of financial year ended 30 June 2017.

Note E

Other operating expenses increased by S\$6.1500 million from S\$1.528 million in FY2016 to S\$7.678 million in FY2017 mainly due to:

- (i) an increase in legal and professional fees as the Company arising from the divestment process of the 5 Japanese investment properties (the “**Divestment**”), the acquisition of Development West Pty Ltd and the proposed acquisition of 60% of the Global Entertainment Media Pte Ltd (the “**Proposed China Acquisition**”);
- (ii) an increase in travelling expenses as the Company is in the process of the Divestment and seeking new investments in China and other Asia-Pacific countries;
- (iii) loss on disposal of GF Kuramae where the selling price was below its corresponding fair value. Notwithstanding, the selling price in Japanese Yen was higher than its corresponding acquisition costs. This is in line with the general mandate which the Company sought for and successfully obtained at the extraordinary general meeting on 20 January 2017 (the “**Japanese Properties Divestment Mandate**”).
- (iv) an impairment loss on an available-for-sale investment as explained in the following paragraph.

The Company has made an impairment loss on its investment of the acquisition of Development West Pty Ltd (“**Development West**”). The acquisition was made on the basis of Development West’s 27% interest in Richardson Trust (“**Trust**”) based on the land valuation undertaken by the valuation report commissioned by the Company of value of A\$12 million.

In conjunction with discussion with the Company’s external auditors, the Company has made an impairment of \$2.448 million in FY2017. The amount is computed after assessing the fair value of Development West, including its proportionate 27% stake of the Trust for the financial year ended 30 June 2017. Under the financial reporting standards adopted by the Trust, revenue from the sale of its development properties is recognised when the significant risks and rewards of ownership of the development properties have been transferred to the buyer (i.e. revenue is recognized using the completed contract method). Accordingly, no revenue was recognised by the Trust as the property under development was not completed yet. Notwithstanding, the construction of the property under development experienced delays, leading to the decrease in the fair value of the Trust.

Note F

Finance cost increased by S\$0.063 million from S\$0.554 million in FY2016 compared to S\$0.617 million in FY2017. The increase was due to the appreciation of the Japanese Yen against the Singapore Dollar and no additional loan was taken in FY2017.

Note G

Net fair value gain on financial derivatives of S\$0.301 million in FY2017 was related to unrealised exchange gain on cross currency swaps, which had previously been entered in to hedge the Japanese Yen-denominated income arising from Japan. This unrealised exchange gain was due to favorable exchange rates movement in relation to the aforesaid swap in FY2017.

Note H

Net fair value gain on investment properties was S\$1.099 million in FY2017. Consistent with the practice in FY2016, an independent valuation on the two unsold Japanese properties, namely Hatchobori Place and Green Forest Itabashi was performed by an independent valuer in June 2017. For NCA Minowa and NCA Kuramae, their formalised selling prices were used as their fair value. Overall, a fair value gain of S\$1.099 million was recorded.

Note I

Income tax expense comprised of 20.42% withholding tax paid and payable upon the repatriation of proceeds from Godo Kaisha Threeline and Godo Kaisha Halekulani, the TK Operators, and asset managers of our Japan properties.

In FY2017, the withholding tax paid was higher due to the higher amount of repatriated funds, especially from the sale of GF Kuramae.

In FY2016, following the net fair value loss recorded of \$16.501 million, the corresponding deferred tax liabilities (which had previously been recognised for the financial year ended 30 June 2015) were reversed, leading to an income tax benefit in FY2016.

Overall, the net loss for FY2017 was S\$6.685 million, compared to a net loss of S\$12.376 million in FY2016.

**STATEMENT OF FINANCIAL POSITION**

Note J - Non-current assets

Non-current assets decreased by S\$88.111 million from S\$94.116 million as at 30 June 2016 to S\$6.005 million as at 30 June 2017. In line with the Japanese Properties Divestment Mandate, the decrease was mainly due to the reclassification of the investment properties from non-current assets to current assets.

In addition, an amount of S\$6.000 million was deposited with the escrow agent appointed by the Company for the Proposed China Acquisition. As announced by the Company subsequent to FY2017, the Proposed China Acquisition was completed on 11 August 2017.

#### Note K - Current assets

Current assets increased by S\$61.850 million from S\$9.743 million as at 30 June 2016 to S\$71.593 million as at 30 June 2017.

The increase was mainly due to reclassification of the remaining investment properties of \$67.020 million from non-current assets to current assets as "Assets held for sale".

#### Note L - Non-current liabilities

Non-current liabilities decreased by S\$44.269 million from S\$47.821 million as at 30 June 2016 to S\$3.552 million as at 30 June 2017. Consistent with the explanation in the preceding paragraphs above, the decrease was mainly due to the reclassification of borrowings from non-current to current. In addition, the completion of the disposal of GF Kuramae also resulted in the full repayment of its corresponding borrowings.

#### Note M - Current liabilities

Current liabilities increased S\$27.552 million from S\$2.491 million as at 30 June 2016 to S\$30.043 million as at 30 June 2017. In line with the Japanese Properties Divestment Mandate, the borrowings in connection with the Japanese investment properties were reclassified from non-current to current. This reclassification resulted in the increase in current liabilities.

#### Working capital

The Group has a positive working capital of S\$41.550 million as at 30 June 2017.

### **STATEMENT OF CASH FLOWS**

Net cash flows used in operating activities was S\$0.702 million as at 30 June 2017 mainly due to the operating cash outflows arising from:

- (i) higher expenses incurred in the form of travelling costs and professional and legal fees as the Company is in the process of divesting the Japanese investment properties, the acquisition of Development West Pty Ltd and the Proposed China Acquisition; and
- (ii) higher withholding taxes paid in the form of an increase in repatriated funds from Japan arising from the sale of GF Kuramae.

Net cash flows from investing activities was S\$10.481 million as at 30 June 2017 mainly due to the receipt of the proceeds from the disposal of GF Kuramae.

Net cash flows used in financing activities was S\$13.847 million as at 30 June 2017 mainly due to the repayment of the outstanding loan for GF Kuramae following its disposal as well as the routine repayments of bank loans in connection of the remaining unsold Japanese investment properties via instalments.

### **9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement were previously given.



**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As the global economic climate and conditions continue to be challenging, we will remain prudent in our capital management strategy and we will continue to improve operating efficiencies of our portfolio assets by seeking partnerships with investors and asset owners to help unlock the value of our various development properties, as well as review our hedging requirements to optimise the value and returns to shareholders of the Company.

Update

1. As announced on 28 July 2017, the Company wishes to inform that a settlement agreement was entered into with the former directors (the “Former Directors”) who were on the board of the Company when S\$489,000 was declared as interim dividends in its unaudited half-year financial statements for the period ended 31 December 2015. The settlement amount of S\$457,890.42 had been received by the Company from the Former Directors on 28 July 2017.

2. On 30 June 2017, the Company successfully convened an extraordinary general meeting where it obtained the approval of shareholders to, amongst other matters:

Approve the proposed placement of 300,000,000 new ordinary shares in the capital of the Company at the issue price of S\$0.125 per placement share to the subscribers (the “Proposed Placement”); and

Approve the Proposed China Acquisition.

3. On 11 August 2017, the Company successful completed the Proposed China Acquisition.

4. On 22 August 2017, the Company received the Listing & Quotation Notice from SGX-ST and the Proposed Placement was completed on the same day.

5. On 25 August 2017, the Company received letter of intent (“LOI”) from independent third party to acquire the investment properties of Hatchobori Place and Green Forest Itabashi. As the terms of these LOIs satisfy the terms of the General Mandate, the Company will take steps to proceed toward definitive agreements. Please refer to the separate announcement released by the Company on 25 August 2017 for this disposal for further details.

**11 If a decision regarding dividend has been made whether an interim (final) ordinary dividend has been declared (recommended)**

**(a) Current financial period reported on**

None.

**(b) Corresponding period of the immediately preceding financial year**

Name of dividend:	Interim (“ <b>Interim Dividend</b> ”)
Dividend type:	Cash
Dividend amount per share:	0.1 Singapore cents per ordinary share
Tax rate:	One-tier tax-exempt

**(c) Date Payable**

Not applicable.

**(e) Books closure date**

Not applicable.

**12 If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No interested person transaction mandate has been obtained from shareholders of the Company. There were no interested person transaction of \$100,000 and above entered into by the Group during the financial year ended 30 June 2017. The aggregate value of all IPTs during FY2017 is less than S\$100,000.

**14 Use of Net Proceeds from the Placement**

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

Intended Use	Amount of Net Proceeds allocated (\$\$'000)	Amount utilised to date (\$\$'000)	Amount unutilised to date (\$\$'000)
General working capital	680	680	–
Potential acquisitions and investments	6,120	6,120 <sup>(1)</sup>	–
<b>Total</b>	<b>6,800</b>	<b>6,800</b>	<b>–</b>

**Note:**

- (1) Utilised to partially fund the consideration for the acquisition of five investment properties via Richwood Asia I Investments Limited and One Room Mansion Limited and for professional fees in connection with the acquisition of investments in China.

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

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

Intended Use	Amount of Net Proceeds allocated (S\$'000)	Amount utilised to date (S\$'000)	Amount unutilised to date (S\$'000)
General working capital	1,417	1,417	–
Potential acquisitions and investments pursuant to the diversification	26,923	26,923 <sup>(1)</sup>	–
<b>Total</b>	<b>28,340</b>	<b>28,340</b>	<b>–</b>

**Note:**

- (1) Utilised to partially fund the consideration for the acquisition of Richwood Asia I Investments Limited and One Room Mansion Limited.

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

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half-Year Results)**

**15 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Statement of Operations by Segments

Profit or Loss from Continuing Operations and Reconciliations

<b>FY2017 (Unaudited)</b>	Property development and property investment S\$'000	Unallocated segment*  S\$'000	Adjustments and eliminations  S\$'000	Consolidated financial statements S\$'000
<b>Revenue:</b>				
Total revenue by segment				
Revenue from external customers	4,866	–	–	4,686
<b>Results:</b>				
Recurring EBTDA	2,673	–	–	2,673
Other income	37	60	–	97
Depreciation	–	(12)	–	(12)
Finance expenses	(617)	–	–	(617)
Net fair value gain on investment properties	1,099	–	–	1,099
Net fair value gain on financial derivatives	–	301	–	301
Loss on disposal of investment properties	(2,682)	–	–	(2,682)
Impairment loss on financial assets	–	(2,448)	–	(2,448)
Other operating expenses	(168)	(2,380)	–	(2,548)
Profit/(Loss) before income tax	342	(4,479)	–	(4,137)
Income tax expense	(2,548)	–	–	(2,548)
<b>Loss after income tax</b>	<b>(2,206)</b>	<b>(4,479)</b>	<b>–</b>	<b>(6,685)</b>

<b>FY2016 (Audited)</b>	Property development and property investment S\$'000	Unallocated segment*	Adjustments and eliminations S\$'000	Consolidated financial statements S\$'000
<b>Revenue:</b>				
Total revenue by segment				
Revenue from external customers	4,742	–	–	4,742
<b>Results:</b>				
Recurring EBTDA	2,969	–	–	2,969
Other income	102	95	–	197
Depreciation	–	(14)	–	(14)
Finance expenses	(554)	–	–	(554)
Net fair value loss on investment properties	(16,501)	–	–	(16,501)
Net fair value loss on financial derivatives	–	(450)	–	(450)
Other operating expenses	(195)	(1,333)	–	(1,528)
Loss before income tax	(14,179)	(1,702)	–	(15,881)
Income tax benefit	3,505	–	–	3,505
<b>Loss after income tax</b>	<b>(10,674)</b>	<b>(1,702)</b>	<b>–</b>	<b>(12,376)</b>

**Note:**

\* Unallocated Segment comprised primarily corporate office expenses which cannot be attributed meaningfully to any particular segment.

**Assets and Reconciliations**

	Property development and property investment S\$'000	Unallocated segment S\$'000	Consolidated financial statements S\$'000
<b><u>As at 30 June 2017 (Unaudited)</u></b>			
Total assets for reportable segment			
- Assets held for sale	67,020	–	67,020
- Restricted cash	3,196	–	3,196
- Others	–	7,382	7,382
<b>Total</b>			<b>77,598</b>
<b><u>As at 30 June 2016 (Audited)</u></b>			
Total assets for reportable segment			
- Investment properties	94,066	–	94,066
- Restricted cash	4,205	–	4,205
- Others	–	5,588	5,588
<b>Total</b>			<b>103,859</b>

## Liabilities and Reconciliations

	Property development and property investment S\$'000	Unallocated segment S\$'000	Consolidated financial statements S\$'000
<b><u>As at 30 June 2017 (Unaudited)</u></b>			
Total liabilities for reportable segments			
- Borrowings	28,858	–	28,858
- Security deposit	1,073	–	1,073
- Deferred revenue	264	–	264
- Deferred tax liabilities	2,576	–	2,576
- Derivatives financial instruments	–	149	149
- Others	–	675	675
<b>Total Group liabilities</b>			<b>33,595</b>
<b><u>As at 30 June 2016 (Audited)</u></b>			
Total liabilities for reportable segments			
- Borrowings	45,259	–	45,259
- Security deposit	1,157	–	1,157
- Deferred revenue	323	–	323
- Deferred tax liabilities	1,502	–	1,502
- Derivatives financial instruments	–	450	450
- Others	–	1,621	1,621
<b>Total Group liabilities</b>			<b>50,312</b>

## Geographical segments

	The Group	
	FY2017 (Unaudited) S\$'000	FY2016 (Audited) S\$'000
<b>Revenue</b>		
- Japan	4,821	4,688
- Singapore	45	54
	<b>4,866</b>	<b>4,742</b>
	The Group	
	As at 30 June 17 (Unaudited) S\$'000	As at 30 June 16 (Audited) S\$'000
<b>Total consolidated assets</b>		
- Japan	70,848	98,094
- Singapore	6,750	5,765
	<b>77,598</b>	<b>103,859</b>

Revenues are attributed to countries on the basis of the customer’s location. The assets are analysed by the geographical area in which the assets are located.

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 8 for details on the factors leading to the material changes in contributions to turnover and earnings of the property development and property investment segment.

**17. A breakdown of sales as follows:**

	Year ended 30 June 2017 S\$'000	Year ended 30 June 2016 S\$'000	Increase / (Decrease) %
Sales reported for the first half year	2,490	2,260	n.m.*
Operating profit/(loss) after tax reported for first half year	653	(880)	(17.42)
Sales reported for the second half year	2,376	2,482	n.m.*
Operating loss after tax reported for second half year	(7,338)	(11,496)	n.m.*

\*n.m. – not meaningful

**18. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.**

Total net annual dividend

	2017 \$'000	2016 \$'000
Ordinary Dividend		
Interim	–	489
Total	–	489

**19. Confirmation of Undertakings from Directors and Executive Officers under Rule 720(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“Catalist Rules”)**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Catalist Rules, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company as at 30 June 2017.

BY ORDER OF THE BOARD

**WAN JINN WOEI**

**Executive Chairman and Chief Executive Officer**

**25 August 2017**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd, (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

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