

**IMPERIUM  
CROWN**

# BUILDING A SOUND PLATFORM

**IMPERIUM CROWN LIMITED** Annual Report 2016

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

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

The contact person for the Sponsor is Ms Jennifer Tan, Senior Manager, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.



# BUILDING A **SOUND** PLATFORM

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

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

## PORTFOLIO SUMMARY

Our portfolio is made up of 5 properties in Tokyo comprising 3 residential properties, a mixed use residential/retail property and an office/retail property. These are conveniently located near major Japan Rail and Tokyo Metro Stations and other amenities such as schools and training institutes.

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### GREEN FOREST ITABASHI

Asset Type:  
**Mixed Residential/  
Commercial**

No. of Units:  
**72 residential units  
and 2 retail units**

Address	<b>10-2 and part of 10-1, Honcho, Itabashi-ku, Tokyo</b>
Tenure of Land	<b>Leasehold</b>
Date of Completion	<b>1994</b>
Nearest Station	<b>Toei Mita Line Itabashi-Honcho Station</b>
No. of Floors	<b>11</b>
Land (m <sup>2</sup> )	<b>1,222</b>
Gross Floor Area (m <sup>2</sup> )	<b>4,075</b>



### GREEN FOREST KURAMAE

Asset Type:  
**Residential**

No. of Units:  
**78 residential units**

Address	<b>13-3, Misuji 1-chome, Taito-ku, Tokyo</b>
Tenure of Land	<b>Freehold</b>
Date of Completion	<b>1987</b>
Nearest Station	<b>Toei Asakusa Line Kuramae Station</b>
No. of Floors	<b>9</b>
Land (m <sup>2</sup> )	<b>708</b>
Gross Floor Area (m <sup>2</sup> )	<b>3,297</b>



## HATCHOBORI PLACE

Asset Type:  
**Office**

Address	<b>9-1, Irifune 1-chome, Chuo-ku, Tokyo</b>
Tenure of Land	<b>Freehold</b>
Date of Completion	<b>1988</b>
Nearest Station	<b>JR Keiyo Line/Tokyo Metro Hibiya Line Hatchobori Station</b>
No. of Floors	<b>6</b>
Land (m <sup>2</sup> )	<b>580</b>
Gross Floor Area (m <sup>2</sup> )	<b>2,924</b>



## NEW CITY APARTMENT KURAMAE

Asset Type:  
**Residential**

No. of Units:  
**40 residential units**

Address	<b>Kuramae 2-chome, Taito-ku, Tokyo</b>
Tenure of Land	<b>Freehold</b>
Date of Completion	<b>2006</b>
Nearest Station	<b>Toei Asakusa Line Kuramae Station</b>
No. of Floors	<b>10</b>
Land (m <sup>2</sup> )	<b>322</b>
Gross Floor Area (m <sup>2</sup> )	<b>1,780</b>



## NEW CITY APARTMENT MINOWA

Asset Type:  
**Residential**

No. of Units:  
**26 residential units**

Address	<b>Higashi-Nippori 2-chome, Arakawa-ku, Tokyo</b>
Tenure of Land	<b>Freehold</b>
Date of Completion	<b>2006</b>
Nearest Station	<b>Toei Asakusa Line Minowa Station</b>
No. of Floors	<b>8</b>
Land (m <sup>2</sup> )	<b>364</b>
Gross Floor Area (m <sup>2</sup> )	<b>1,378</b>



## CHAIRMAN'S MESSAGE



### Dear Stakeholders

It is my pleasure to present to you, in my capacity as your newly appointed Executive Chairman and Chief Executive Officer, the annual report for Imperium Crown Limited for the financial year ended 30 June 2016 ("FY2016").

The past 12 months marked a difficult period for the Group amidst the rather negative sentiment in the Japanese property market, from which the Group derives most of its revenue. Earlier on in the financial year under review, the Group purchased two residential properties in Tokyo, Japan, for S\$20.24 million, as the acquisitions were viewed as an extension of the Group's core business of property investment and property development businesses at that time. The Group's expansion into the property sector in Japan was taken with a view of establishing a portfolio of property-holding assets within urban and high-density population areas in Tokyo, to provide the Group with a portfolio of income generating property assets.

For FY2016, the Group's revenue, which was mainly generated by our portfolio of five Tokyo-based investment properties comprising three residential properties, a mixed use residential/retail property and an office/retail property, was S\$4.74 million for FY2016 compared to S\$1.73 million during the previous corresponding year ("FY2015"). The increase in revenue was mainly due to the acquisition of two residential properties which contributed to the Group's revenue for 11 months in FY2016.

More significantly, the Group's bottom line performance however, was impacted negatively by the net fair value loss on investment properties of S\$16.50 million in FY2016, after recognising the investment properties at their valuation amounts as at 30 June 2016. The fair value loss was mainly

contributed by the initial three investment properties that were acquired in FY2015 and the reasons for the change included the softening of rental rates. Economic sentiment has also met with headwinds in the financial year under review as global industry and economic outlook has presented the global real estate industry with challenging times. Taken together, the Group recorded a net loss of S\$12.38 million for FY2016, compared to a profit of S\$11.98 million for FY2015.

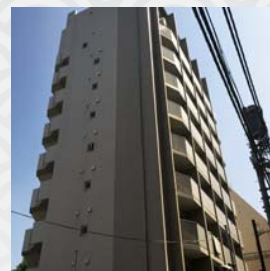
If we were to exclude the fair value changes on our investment properties and financial derivatives, the Group would have recorded a profit before fair value changes and income tax of S\$1.07 million for FY2016 versus a loss of S\$2.25 million in FY2015.

On 11 February 2016, the Company's Directors declared an interim one-tier tax-exempt dividend of 0.1 Singapore cents per ordinary share for the six months ended 31 December 2015. The Company however is seeking legal advice on the declaration and payment of the interim dividend at this time of writing and more updates will be provided and announced on SGXNET as and when there are material developments in this respect.

### EXPLORING NEW OPPORTUNITIES IN THE REAL ESTATE INDUSTRY

Under the stewardship of the new Board appointed on 30 June 2016, we deliberated on the longer-term objective of growing shareholder value. Let me now elaborate on our plan to explore new business opportunities and areas of growth.

At the present moment, the return on capital on our Japanese properties barely commensurate with the capital investment made by the Company in these assets previously. As a small cap real estate developer, we are limited by our size in



“The Group’s revenue, which was mainly generated by our portfolio of five Tokyo-based investment properties, was S\$4.74 million for FY2016 compared to S\$1.73 million during the previous corresponding year (“FY2015”).”

seeking long-term yield return compared with a larger-sized real estate investment trust (“REIT”). Additionally, we are constrained by the free cash available for further investment, which consequently has a bearing on the Group’s growth.

For this reason, the Board is directing its attention towards other sources of potential revenue such as property management services that complements our core businesses in the real estate sector. We will look to re-channel capital into property development and property investment projects in Southeast Asian markets that have the potential to deliver increasing value to shareholders of the Company.

In South East Asia, a number of geographies interest us; Singapore is consistently ranked as one of the most livable cities globally, a major financial hub and one of the best places in Asia to do business. Singapore also has the benefit of a stable socio-economic and political environment which belies its attractiveness to global investors. In addition, despite a more subdued economic growth, Malaysia remains an attractive market especially in a gateway city like Kuala Lumpur and its surrounding region that continue to attract a fair amount of interest from investors regionally.

Should the Company identify new exciting opportunities, it will engage shareholders actively to seek a fresh mandate from shareholders if any of our future plans such as property management services significantly changes the risk profile of the Company. Such approval will be sought prior to entering into such stage. More updates will be provided and announced on SGXNET as and when material developments occur in this direction.

## MANAGING FOR VALUE

At the present moment, our immediate priority is to manage our existing portfolio of Japanese properties to the best that we can under the current economic climate in Japan that is expected to remain rather subdued for the rest of this year and into 2017.

We will remain prudent in our capital management strategy and will continue to improve on the operating efficiencies of our portfolio assets. We will also review our hedging requirements to optimise the value and returns to our stakeholders.

## ACKNOWLEDGMENTS

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

We would like to extend our appreciation to all our stakeholders for your support. Under the stewardship of your new Board and combined with the support of our management team, we will work hard for you. We are confident that we will re-vitalise the Group’s businesses, in creating and growing value for you, our stakeholders.

Yours truly

**Wan Jinn Woei**

Executive Chairman and Chief Executive Officer

23 September 2016

## FINANCIAL REVIEW

“The Group was able to increase revenue by about S\$3.01 million to S\$4.74 million in FY2016 in spite of challenging operating environment in the Japanese property market.”

### OPERATING RESULTS

In spite of the challenging operating environment in the Japanese property market, the Group recorded an increase in revenue by about S\$3.01 million to S\$4.74 million in FY2016 from S\$1.73 million attained in FY2015. The revenue was mainly derived from our mixed portfolio of five investment properties in Tokyo, Japan, comprising three residential properties, a mixed use residential/retail property and an office/retail property. Two residential properties were acquired during FY2016 (“Acquisition of 2 Investment Properties”) and they contributed rental income for 11 months of the financial year under review, giving a major uplift to total revenue.

At the continuing operations level, net property income increased by 154% to S\$2.97 million in FY2016 against S\$1.17 million achieved in FY2015, in line with higher revenue. Concomitant with an enlarged property asset portfolio, property operating expenses also increased to S\$1.77 million compared to S\$0.56 million recorded in FY2015.

Other income increased by S\$0.12 million from S\$0.08 million in FY2015 to S\$0.20 million in FY2016. Other income comprised mainly fixed deposit interest income, receipt of government grant income in relation to Temporary Employment Credit, Productivity and Innovation Credit and Government-paid leave, as well as net gain on termination compensation of S\$0.08 million recovered from one of the tenants of our properties.

Depreciation of property, plant and equipment came in at S\$0.01 million in FY2016, 91% lower than S\$0.11 million recorded in FY2015 due to discontinuation of motor vehicles depreciation following the transfer of a motor vehicle to a former executive director as remuneration and disposal of another motor vehicle during the last quarter of FY2015.

The expenses for legal and professional fees declined due to fewer corporate exercises in FY2016. Directors’ remuneration was also reduced following the cessation of two executive directors in FY2015. These were partially offset by increase in EGM costs of S\$0.25 million. As a result of these changes, other operating expenses decreased by S\$1.55 million from S\$3.08 million in FY2015 to S\$1.53 million in FY2016.

Following independent valuations performed by independent valuers as at 30 June 2016, the Group booked a net fair value loss on investment properties amounting to S\$16.50 million for FY2016. The fair value loss was mainly contributed by the initial three investment properties that were acquired in FY2015 and the reasons for the change included the softening of rental rates.

The Group also registered net fair value loss on financial derivatives of S\$0.45 million in FY2016 due to unrealised exchange loss on cross currency swaps to hedge net income from Japan as a result of the appreciation of Japanese Yen against the Singapore Dollar.

Overall, the Group incurred a net loss of S\$12.38 million from continuing operations in FY2016 compared to a net profit of S\$12.51 million in FY2015. If fair value changes on investment properties and financial derivatives were excluded, the Group would have recorded a profit before fair value changes and income tax of S\$1.07 million for FY2016 compared to a corresponding loss of S\$2.25 million for FY2015.





“The Group had a positive working capital of S\$7.25 million as at 30 June 2016, compared to S\$6.18 million as at 30 June 2015.”

## FINANCIAL POSITION AND CASHFLOW OF THE GROUP

The Group's total assets increased by approximately 20.9% from S\$85.92 million in FY2015 to S\$103.86 million in FY2016. This was attributable to increase in investment properties, trade and other receivables and restricted cash, partially offset by decrease in cash and cash equivalents.

The increase in investment properties was mainly due to the (i) Acquisition of 2 Investment Properties and appreciation of Japanese Yen against Singapore Dollar; and (ii) reclassification of a leasehold property in Singapore from property, plant and equipment to investment property. This was partially offset by the net fair value loss of the Group's portfolio of investment properties of S\$16.50 million as at 30 June 2016.

The increase in trade and other receivables was due to receivable from a tenant for recovery of reinstatement costs and the increase in restricted cash was pursuant to the expansion of the Group's portfolio of investment properties and appreciation of Japanese Yen against Singapore Dollar. Restricted cash pertains to trust account reserve and lender's account reserves, which are required to be maintained based on the agreements with the banks providing the loans. Restricted cash are restricted for use in specific operating expenses, capital expenditure and refund of tenant security deposits and bank's approval is required for the utilisation of such restricted cash. The decrease in cash and cash equivalents was mainly due the cash outflows to finance the Acquisition of 2 Investment Properties.

Total liabilities of the Group increased by approximately 71.7% from S\$29.31 million in FY2015 to S\$50.31 million in FY2016 as a result of increase in borrowings and derivative financial instruments partially offset by decrease in deferred tax liabilities.

The increase in borrowings was mainly due to additional bank loans undertaken for the Acquisition of 2 Investment Properties as well as derivative financial instruments related to Japanese Yen/Singapore Dollar cross currency swap arrangement that the Company entered into to hedge its foreign currency exposure. This was partially offset by the decrease in deferred tax liabilities due to changes in net fair value of investment properties.

The Group had a positive working capital of S\$7.25 million as at 30 June 2016 as compared to S\$6.18 million as at 30 June 2015.

During the financial year under review, the Group generated positive net cash flows from operating activities amounting to S\$2.32 million, compared to negative cash flow of S\$3.67 million in FY2015. Cash flow from operations in FY2016 was mainly contributed by the five investment properties in Japan.

Net cash flows used in investing activities was S\$21.03 million as at 30 June 2016 mainly due to the Acquisition of 2 Investment Properties in Tokyo, Japan on 27 July 2015.

Net cash flows from financing activities was S\$13.36 million as at 30 June 2016 mainly due to proceeds from bank loans undertaken to finance the Acquisition of 2 Investment Properties and refinancing of existing bank loans, partially offset by repayment of bank loans.

## BOARD OF DIRECTORS



### 01 WAN JINN WOEI

*Executive Chairman and Chief Executive Officer*

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

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

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



### 02 YONG CHOR KEN

*Non-Executive and Non-Independent Director*

Mr Yong is the Group's Non-Executive and Non-Independent Director and joined the Board on 30 June 2016. He is a member of the Audit, Nominating and Remuneration Committees.

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

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





### 03 CHEN YEOW SIN

*Lead Independent Director*

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

Mr Chen is the Managing Director of One Partnership Public Accounting Corporation, responsible for managing and developing the firm's business. Additionally, he heads the firm's Risk Advisory division that provides controls and advisory services to clients. Mr Chen started his accountancy and audit training with a firm of chartered accountants in London. Upon his qualification as a chartered accountant, he worked in 2 of the Big Four accounting firms in Singapore before joining a US Fortune 500 energy and resource company as the South East Asia regional internal audit manager where he was responsible for the risks management, internal controls, business process evaluation and improvement and conflict of interest investigation.

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



### 04 POH WEE CHIEW, ROGER

*Independent Director*

Mr Poh is an Independent Director of the Group and is the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. He joined the Board on 30 June 2016.

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

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

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

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



## KEY MANAGEMENT



### 01 WAN JINN WOEI

*Chief Executive Officer*

Please refer to page 8.



### 02 TAN KENG KEAT (CHEN QINGJIE)

*Chief Financial Officer*

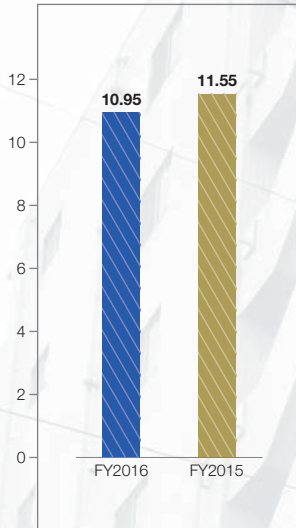
Mr Tan joined the Company as Chief Financial Officer (Designate) on 1 September 2016 and will take over the role of Chief Financial Officer on 13 October 2016. His key responsibilities include assisting the Chairman and CEO in the Group's capital management strategy, overseeing the Group's accounting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

An experienced accountant with over 16 years of experience in the financial sector, he started his professional career with PricewaterhouseCoopers Singapore and later moved on to public listed companies. He has held key positions such as Director, Chief Financial Officer and Company Secretary in companies listed on the Singapore Exchange Securities Trading Limited, the London Stock Exchange and the Australian Securities Exchange and is experienced in financial reporting, corporate finance, treasury, audit, taxation and company secretarial matters. Mr Tan graduated from the Nanyang Technological University with a degree in Accountancy (Honours) and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

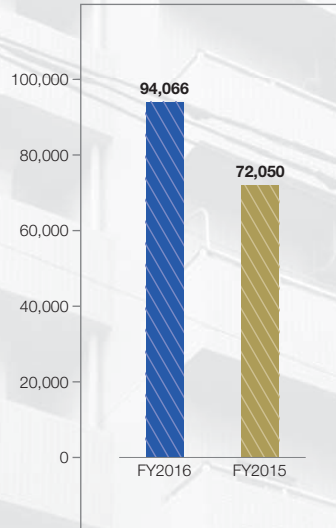
## FINANCIAL HIGHLIGHTS

For the Financial Year Ended 30 June 2016

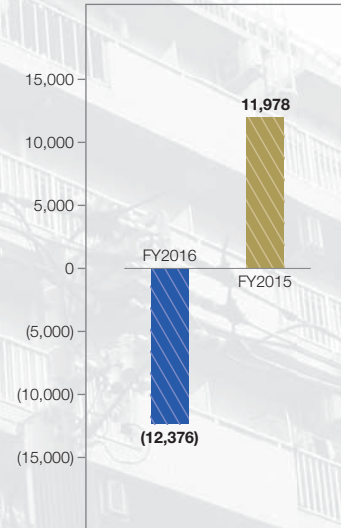
**Net Asset Value  
per Ordinary Share  
(Singapore Cents)**



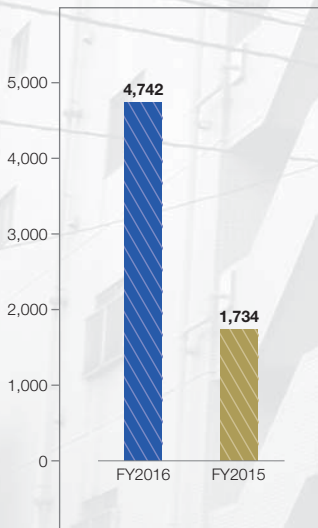
**Investment  
Properties  
(S\$'000)**



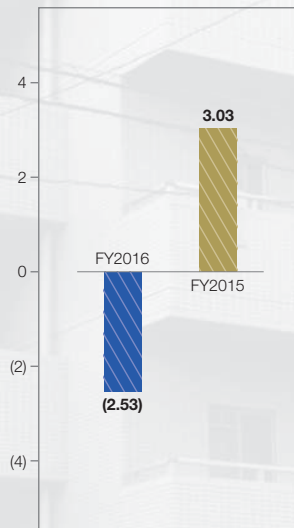
**Net (Loss)/Profit  
After Tax Attributable  
to Equity Holders of  
the Company  
(S\$'000)**



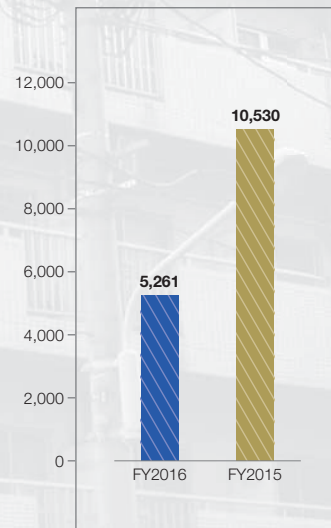
**Total  
Revenue  
(S\$'000)**



**(Loss)/Earnings  
per Share  
(Singapore Cents)**



**Cash and  
Cash Equivalents  
(S\$'000)**



## CORPORATE INFORMATION

### DIRECTORS

**Wan Jinn Woei**

Executive Chairman and Chief Executive Officer

**Yong Chor Ken**

Non-Executive and Non-Independent Director

**Chen Yeow Sin**

Lead Independent Director

**Poh Wee Chiow, Roger**

Independent Director

### AUDIT COMMITTEE

**Chen Yeow Sin** (Chairman)

**Yong Chor Ken**

**Poh Wee Chiow, Roger**

### REGISTERED OFFICE

25 Bukit Batok Crescent

#08-01 The Ellist

Singapore 658066

Tel: +65 6250 0925

Fax: +65 6250 0903

[www.imperium-crown.com](http://www.imperium-crown.com)

### REMUNERATION COMMITTEE

**Poh Wee Chiow, Roger** (Chairman)

**Chen Yeow Sin**

**Yong Chor Ken**

### SPONSOR

**PrimePartners Corporate Finance Pte Ltd**

16 Collyer Quay

#10-00 Income At Raffles

Singapore 049318

### NOMINATING COMMITTEE

**Poh Wee Chiow, Roger** (Chairman)

**Chen Yeow Sin**

**Yong Chor Ken**

### AUDITORS

**RSM Chio Lim LLP**

8 Wilkie Road

#04-08 Wilkie Edge

Singapore 228095

### COMPANY SECRETARY

**Wong Chuen Shya** (Huang Chunxia)

### AUDIT PARTNER-IN-CHARGE

**Adrian Tan Khai-Chung**

Appointed with effect from financial year ended  
30 June 2016

### SHARE REGISTRAR

**RHT Corporate Advisory Pte. Ltd.**

9 Raffles Place #29-01

Republic Plaza Tower 1

Singapore 048619



## CORPORATE GOVERNANCE REPORT

The Board of Directors (the “Board”) of Imperium Crown Limited (the “Company” and together with its subsidiaries, the “Group”) firmly believes in maintaining the appropriate practices in its business and operational policies, and has adopted practices based on the Code of Corporate Governance 2012 (“the Code”) issued by the Monetary Authority of Singapore and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) in January 2015 (the “Guide”).

The Company confirms that it has, for the financial year ended 30 June 2016 (“FY2016”) adhered to the principles and guidelines as set out in the Code and the Guide, and has specified and explained the areas of non-compliance, where applicable.

### Principle 1 – Board’s Conduct of Its Affairs

The Board is committed to reviewing the business plans and the financial performance of the Group regularly. The Board has the overall responsibility for putting in place a framework of good corporate governance in the Group, including the processes for financial reporting and compliance. All Board members bring their independent judgement, diversified knowledge and experience to bear on issues of strategy, performance, resources and standards of conduct. All directors are required to use reasonable diligence in discharging their duties and responsibilities at all times as fiduciaries and act in good faith in the best interests of the Group.

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

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

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

## CORPORATE GOVERNANCE REPORT

Between 1 July 2015 and 23 September 2016, the attendance of the directors at meetings of the Board and Board Committees, as well as the frequency of such meetings held, are summarised in the table below:

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Bay Cheow Guan, David <sup>1</sup>	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Pao Kiew Tee <sup>2</sup>	2	2	2	2	1	1	1	1
Professor Tan Chin Tiong <sup>3</sup>	2	2	2	2	1	1	1	1
Lim Chuan Lam <sup>4</sup>	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Ng Hong Whee <sup>5</sup>	2	1	N/A	N/A	1	1	N/A	N/A
Leong Koon Weng <sup>6</sup>	2	2	2	2	N/A	N/A	1	1
Lyn Hian Woon <sup>7</sup>	1	1	N/A	N/A	N/A	N/A	N/A	N/A
Yong Chor Ken <sup>8</sup>	1	1	1	1	1	1	1	1
Poh Wee Chiow, Roger <sup>9</sup>	1	1	1	1	1	1	1	1
Chen Yeow Sin <sup>10</sup>	1	1	1	1	1	1	1	1
Wan Jinn Woei <sup>11</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Notes:

- <sup>1</sup> Bay Cheow Guan, David was removed as Non-Executive and Non-Independent Director of the Company at an Extraordinary General Meeting ("EGM") held on 30 June 2016.
- <sup>2</sup> Pao Kiew Tee was removed as Independent Director of the Company at an EGM held on 30 June 2016. Prior to his cessation as a director of the Company, he was the Chairman of the AC and the RC, and a member of the NC.
- <sup>3</sup> Professor Tan Chin Tiong was removed as Independent Director of the Company at an EGM held on 30 June 2016. Prior to his cessation as a director of the Company, he was the Chairman of the NC and a member of the AC and RC.
- <sup>4</sup> Lim Chuan Lam resigned as Executive Chairman and Chief Executive Officer of the Company with effect from 29 April 2016.
- <sup>5</sup> Ng Hong Whee resigned as Non-Executive and Non-Independent Director of the Company with effect from 28 October 2015.
- <sup>6</sup> Leong Koon Weng was removed as Independent Director of the Company at an EGM held on 30 June 2016. Prior to his cessation as a director of the Company, he was a member of the AC, NC and RC.
- <sup>7</sup> Lyn Hian Woon was appointed as a Director of the Company at an EGM held on 30 June 2016. He was designated as Executive Chairman and Chief Executive Officer of the Company with effect from 7 July 2016. Mr Lyn Hian Woon subsequently resigned as Executive Director and Chief Executive Officer with effect from 23 August 2016.
- <sup>8</sup> Yong Chor Ken was appointed as a Director of the Company at an EGM held on 30 June 2016. He was designated as Non-Executive and Non-Independent Director and a member of AC, NC and RC with effect from 7 July 2016.
- <sup>9</sup> Poh Wee Chiow, Roger was appointed as a Director of the Company at an EGM held on 30 June 2016. He was designated as Independent Director, Chairman of NC and RC Committees and a member of AC with effect from 7 July 2016.
- <sup>10</sup> Chen Yeow Sin was appointed as a Director of the Company at an EGM held on 30 June 2016. He was designated as Independent Director, Chairman of AC and a member of NC and RC with effect from 7 July 2016. Chen Yeow Sin was subsequently appointed as Lead Independent Director with effect from 23 August 2016.
- <sup>11</sup> Wan Jinn Woei was appointed as Non-Executive Chairman of the Company with effect from 17 August 2016. He was re-designated as Executive Chairman and Chief Executive Officer with effect from 23 August 2016.

The Board is familiar with the Group's business and governance practices and has been briefed on their responsibilities as directors of a listed company. To keep abreast with developments in corporate, financial, legal and other compliance requirements, directors are encouraged to attend relevant training courses, particularly on relevant new laws, regulations and changing commercial risks, from time to time, funded by the Company. Any updates on relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts.

During FY2016, the AC is kept abreast, during the AC meetings, by the Management and the external auditors of changes to accounting standards, Listing Manual Section B: Rules of the Catalist ("Catalist Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST") and other regulations which could have an impact on the Group's business and financial statements.

## CORPORATE GOVERNANCE REPORT

Incoming directors, when appointed, will undergo an orientation that includes a briefing by Management on the Group's structure, business, operations and policies. First-time directors of listed companies in Singapore will be encouraged to attend relevant training seminars and courses organised by the Accounting and Corporate Regulatory Authority of Singapore, SGX-ST and the Singapore Institute of Directors. The newly appointed directors, Wan Jinn Woei and Poh Wee Chiow, Roger have registered to attend the training under the Singapore Institute of Directors LCD Program to be held on 6 October 2016.

Newly appointed directors will also be provided with a formal letter setting out their duties and obligations.

### Principle 2 – Board Composition and Balance

As at 23 September 2016, the Chairman and members of the Board are as follows:

#### Executive Director:

Wan Jinn Woei – Executive Chairman and Chief Executive Officer

#### Non-Executive Directors:

Chen Yeow Sin – Lead Independent Director

Poh Wee Chiow, Roger – Independent Director

Yong Chor Ken – Non-Executive and Non-Independent Director

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

The NC has reviewed the forms completed by each director and confirmed that half of the Board comprises independent directors. The Company is in compliance with Guideline 2.2 of the Code where independent directors should make up at least half of the Board where the Chairman of the Board and the Chief Executive Officer is the same person.

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

Balance and Diversity of the Board	Number of Directors	Proportion of Board %
Core Competencies		
– Accounting or finance	2	50
– Business management	4	100
– Legal or corporate governance	2	50
– Relevant industry knowledge or experience	1	25
– Strategic planning experience	4	100
– Customer based experience or knowledge	2	50

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

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



## CORPORATE GOVERNANCE REPORT

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

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

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

The Board has reviewed the size of the Board, and is of the view that the present Board size is considered appropriate for the current scope and nature of the Group's operations and facilitates effective decision making. No individual or group is able to dominate the Board's decision-making process.

The non-executive directors will constructively challenge and help to develop proposals on strategy and review the performance of Management in meeting the agreed goals and objectives, and monitor the reporting of Company's performance. To facilitate a more effective check on Management, non-executive directors and independent directors are encouraged to meet regularly without the presence of Management. In FY2016, the non-executive and independent directors have met at least once without the presence of Management.

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

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### Principle 3 – Chairman and Chief Executive Officer (“CEO”)

The Chairman and CEO of the Company is Wan Jinn Woei, who was appointed as a Non-Executive Chairman on 17 August 2016 and subsequently re-designated as Executive Chairman and CEO of the Company with effect from 23 August 2016. As the CEO, he will establish the direction and strategic development of the Group and play an instrumental role in the overall management of the Group's existing core business of property investment and property development.

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

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

In line with Guideline 3.3 of the Code, the Company has appointed Chen Yeow Sin as the lead independent director with effect from 23 August 2016. The lead independent director will lead and coordinate the activities of the independent directors and serve as a principal liaison on Board issues between the independent directors and the Chairman of the Board. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of the Executive Chairman and CEO or the Chief Financial Officer has failed to resolve or is inappropriate.

The independent directors are encouraged to meet periodically without the presence of the other Directors and provide feedback to the Chairman after such meetings.

## CORPORATE GOVERNANCE REPORT

### Principle 4 – Board Membership

As at 23 September 2016, the NC comprises three members, two of whom are independent directors. The Chairman of the NC is an independent director who is not a substantial shareholder nor directly associated with a substantial shareholder. The members of the NC are:

Poh Wee Chiow, Roger	Chairman
Chen Yeow Sin	Member
Yong Chor Ken	Member

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

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

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

The NC is responsible for making recommendations to the Board on the re-nomination of directors at regular intervals and at least once every three years for each director, as required by the Constitution of the Company. In its deliberations on the re-nomination of existing directors, the NC takes into consideration the individual director's contribution and performance (including, if applicable, his contribution and performance as an independent director). The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees.

Pursuant to the Company's Constitution, every Director must retire from office at least once every three years by rotation. Directors who retire are eligible to offer themselves for re-election. The Chairman and CEO, as a Director, is subject to the same retirement by rotation provisions as the other Directors and such provisions will not be subject to any contractual terms that he may have entered into with the Company. Each member of the NC shall abstain from voting on any resolutions in respect to his re-nomination as a Director.

Save for Wan Jinn Woei, the existing Board of Directors was appointed by shareholders at the EGM held on 30 June 2016 to replace the previous Board of Directors. Pursuant to Regulation 102(2) of the Company's Constitution, each Director would be subject to retirement by rotation at the same time as if he had become a Director on the date in whose place he was appointed was last elected as a Director.

In this respect, the NC has recommended the nomination of Yong Chor Ken who would be retiring by rotation under Regulation 104 of the Company's Constitution for re-election at the forthcoming Annual General Meeting ("AGM") to be held on 26 October 2016. In making the recommendation, the NC had considered the director's experiences and overall contribution since he was appointed as a Director of the Company on 30 June 2016. The recommendation of the aforesaid nomination of director has been accepted by the Board. Yong Chor Ken will, upon re-election as a Director, remain as a member of Audit, Nominating and Remuneration Committees.

## CORPORATE GOVERNANCE REPORT

Yong Chor Ken will not be considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

Yong Chor Ken, being a member of NC, had abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own contributions or re-election as a director.

Wan Jinn Woei, being a director appointed to the Board on 17 August 2016, would retire pursuant to Regulation 108 of the Company's Constitution and would be eligible for re-election at the Company's forthcoming AGM to be held on 26 October 2016. In making the recommendation, the NC had considered the director's experiences and overall contribution since he was appointed as a Director of the Company on 17 August 2016. The recommendation of the aforesaid nomination of director has been accepted by the Board. Wan Jinn Woei will, upon re-election as a Director, remain as Executive Chairman and CEO of the Company.

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

In view that the current Board of Directors was only constituted on 30 June 2016, the NC will assess whether sufficient time and attention are being given by the directors to the affairs of the Group and review whether the directors have multiple board representations and other principal commitments that would affect their commitment towards the affairs of the Group, if required, in the next financial year. Nevertheless, it was noted that only one (1) director, being Yong Chor Ken holds directorships in other listed companies of which he holds not more than 1 such other directorship. As such, the NC is of the view that there is presently no need to implement internal guidelines to address their competing time commitments and fix the maximum number of listed company directorships a director should hold. The Board concurs with the view of the NC. The NC and the Board would review from time to time the board representations and other principal commitments of each director to ensure that the directors continue to meet the demands of the Group and are able to discharge their duties adequately. The NC and the Board would also review from time to time if there is a need to set a maximum number of listed company directorships a director should hold. The considerations in assessing the capacity of Directors would include the following:

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

There is no alternate director on the Board.



## CORPORATE GOVERNANCE REPORT

Key information regarding the directors are set out below:

Name of Director	Date of First Appointment	Date of Last Re-election	Relationship with Directors, the Company or Substantial Shareholders	Directorships and/or Chairmanships both present and those held over the preceding three years in other Listed Companies	Other Principal Commitments
Wan Jinn Woei	17 August 2016 <sup>1</sup>	To be re-elected at the forthcoming AGM	Wan Jinn Woei is a Director and 95% Shareholder of Third Rose Asia Sdn Bhd, a deemed substantial shareholder of the Company.	<u>Present</u> Nil  <u>Preceding 3 years</u> Nil	None
Yong Chor Ken	30 June 2016 <sup>2</sup>	To be re-elected at the forthcoming AGM	–	<u>Present</u> OLS Enterprise Limited  <u>Preceding 3 years</u> Sincap Group Limited	Director of Alternative Advisors Pte. Ltd. and Alternative Advisors Investment Pte. Ltd.
Poh Wee Chiow, Roger	30 June 2016 <sup>2</sup>	–	–	<u>Present</u> Nil  <u>Preceding 3 years</u> Nil	Director of RHT Communication & Investor Relations Pte. Ltd
Chen Yeow Sin	30 June 2016 <sup>2</sup>	–	–	<u>Present</u> Nil  <u>Preceding 3 years</u> Nil	Managing Director of One Partnership, Public Accounting Corporation.

### Notes:

<sup>1</sup> Appointed as Non-Executive Chairman with effect from 17 August 2016 and subsequently re-designated as Executive Chairman and Chief Executive Officer with effect from 23 August 2016.

<sup>2</sup> Appointed at an EGM held on 30 June 2016

The profile and relevant information of the members of the Board are set on pages 8 to 9 of the Annual Report. The Directors' interests in shares are as disclosed in page 29 of the Statement by Directors.

### Principle 5 – Board Performance

The Board will implement a collective questionnaire assessment process for assessing its effectiveness as a whole in financial year ending 30 June 2017 as the current Board was only constituted on 30 June 2016. The collective assessment process will comprise a questionnaire (covering areas such as the effectiveness of the Board in its monitoring role and the attainment of the strategic and long term objectives set by the Board, including the enhancement of shareholders' value) which is to be completed by each director individually. The results and conclusions will be presented to the Board by the NC and an action plan will be drawn up to address any areas for improvement. Accordingly, no performance evaluation of the Board was conducted in respect of FY2016 to conclude whether the Board has met its performance objectives in respect of FY2016.

The performance criteria will not be changed from year to year but where circumstances deem it necessary for any criteria to be changed, the Board will justify such decision.

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

## CORPORATE GOVERNANCE REPORT

### Principle 6 – Access to Information

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

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

The directors have separate and independent access to the Management, including the Chief Financial Officer (“CFO”) and other key management personnel, as well as the Company’s external auditors.

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

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

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

### Principle 7 – Procedures for Developing Remuneration Policies

#### Principle 8 – Level and Mix of Remuneration

#### Principle 9 – Disclosure on Remuneration

As at 23 September 2016, the RC comprises the following members, two of whom are independent directors:

Poh Wee Chiow, Roger	Chairman
Chen Yeow Sin	Member
Yong Chor Ken	Member

The principal responsibilities of the RC are:

1. To recommend to the Board a general framework and review procedure for determining the remuneration packages and specific remuneration packages for each director, the CEO, key management personnel and any other employees who are related to the controlling shareholders. The RC’s recommendations are submitted for endorsement by the entire Board. The framework covers all aspects of executive remuneration (including but not limited to directors’ fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind);
2. To review the appropriateness of the remuneration packages in relation to the level of contribution and performance of each director, key management personnel and employee; and
3. To administer the Imperium Crown Employee Share Option Scheme (the “Scheme”).

The Scheme was administered by our RC in its sole and absolute discretion with such powers and duties as are conferred on it by the Board.

## CORPORATE GOVERNANCE REPORT

It was noted that the Scheme was adopted and approved by the Shareholders of the Company at the Extraordinary General Meeting held on 23 November 2005 and pursuant to Clause 18.1 of Appendix F of the Scheme, the Scheme shall continue to be in force at the discretion of the RC, for a maximum period of 10 years commencing on the adoption date i.e. the Scheme had expired on 22 November 2015. The Company will consider to adopt a new employee share option scheme or employee share award plan, if it deems necessary. There are no outstanding options under the Scheme as at the date of the Scheme's expiration.

As at 23 September 2016, the Company does not have any share schemes.

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares. There were no employee share options granted since the commencement of the Scheme. Therefore, the provisions defined under Rules 851(1)(b), (c) and (d) of the Catalist Rules of the SGX-ST are not applicable.

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

The Company did not engage any remuneration consultants during FY2016.

In setting remuneration packages for the Executive Directors and key management personnel of the Company, the pay and employment conditions within the industry and in comparable companies, the Group's relative performance and the performance of individual executive directors and key management personnel, are taken into account to maintain an appropriate and competitive level of remuneration that will attract, retain and motivate the directors and key management personnel. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary and fixed allowance. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives. The terms of the service contracts of the executive directors and key management personnel, including termination clauses, are not overly generous.

No performance evaluation in respect of FY2016 was conducted on the Executive Chairman and CEO as he was only appointed on 23 August 2016. As the current Board was only constituted on 30 June 2016, no performance evaluation of the key executive officer was conducted in respect of FY2016.

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

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

The service agreements entered into between the Company and Wan Jinn Woei, the Executive Chairman and CEO of the Company and Tan Keng Keat (Chen Qingjie), Chief Financial Officer (Designate) of the Company on 23 August 2016 and 1 September 2016 respectively are for an initial period of three years and two years respectively. The service agreements of Wan Jinn Woei and Tan Keng Keat (Chen Qingjie) provide for termination by either party giving to the other not less than 6 months' notice and 3 months' prior written notice respectively. To ensure a smooth transition, Tan Keng Keat (Chen Qingjie) joined the Company on 1 September 2016 as CFO (Designate) and will take over from Koh Chai Nyuk as CFO of the Company from 13 October 2016.

The RC has recommended to the Board an amount of S\$141,000 as directors' fees to be paid for FY2016 and S\$136,000 as directors' fees for FY2017, to be paid quarterly in arrears. The aforementioned recommendations will be tabled for shareholders' approval at the forthcoming AGM as separate and distinct resolutions.

No director is involved in deciding his own remuneration.



## CORPORATE GOVERNANCE REPORT

The RC may recommend the Company to consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from executive director(s) and key executive officer(s) in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

The following table shows a breakdown (in percentage terms) of directors' remuneration and each individual director's remuneration for FY2016:

### Directors' Remuneration

	Director's Fees <sup>7</sup> %	Salary Remuneration <sup>8</sup> %	Bonus <sup>8</sup> %	Other Benefits %	Total \$
Lim Chuan Lam <sup>1</sup>	76	24	—	—	32,000
Bay Cheow Guan, David <sup>2</sup>	70	30	—	—	31,000
Pao Kiew Tee <sup>3</sup>	100	—	—	—	32,000
Professor Tan Chin Tiong <sup>4</sup>	100	—	—	—	29,000
Leong Koon Weng <sup>5</sup>	100	—	—	—	25,000
Ng Hong Whee <sup>6</sup>	100	—	—	—	8,000

#### Notes:

<sup>1</sup> Lim Chuan Lam resigned as Executive Chairman and Chief Executive Officer of the Company with effect from 29 April 2016.

<sup>2</sup> Bay Cheow Guan, David was removed as Non-Executive and Non-Independent Director of the Company at an EGM held on 30 June 2016.

<sup>3</sup> Pao Kiew Tee was removed as Independent Director of the Company at an EGM held on 30 June 2016. Prior to his cessation as a director of the Company, he was the Chairman of the AC and the RC, and a member of the NC.

<sup>4</sup> Professor Tan Chin Tiong was removed as Independent Director of the Company at an EGM held on 30 June 2016. Prior to his cessation as a director of the Company, he was the Chairman of the NC and a member of the AC and RC.

<sup>5</sup> Leong Koon Weng was removed as Independent Director of the Company at an EGM held on 30 June 2016. Prior to his cessation as a director of the Company, he was a member of the AC, NC and RC.

<sup>6</sup> Ng Hong Whee resigned as Non-Executive and Non-Independent Director of the Company with effect from 28 October 2015.

<sup>7</sup> The proposed directors' fees are subject to shareholders' approval at the forthcoming AGM.

<sup>8</sup> The salary remuneration and bonus amounts shown comprise car allowances and are inclusive of CPF.

The following table shows a breakdown (in percentage terms) of the key management personnel remuneration (in bands of S\$250,000) who are not directors or the CEO for FY2016:

### Remuneration of top key management personnel who is not a director

Below S\$ 250,000	Salary Remuneration <sup>1</sup> %	Bonus <sup>1</sup> %	Other Benefits %	Total %
Koh Chai Nyuk	95	5	—	100

#### Note:

<sup>1</sup> The salary remuneration and bonus amounts shown are inclusive of allowances and CPF.

During FY2016, the Company only has one key management personnel (who is not a director or CEO), i.e. Koh Chai Nyuk, the CFO of the Company. Ms Koh's remuneration for FY2016 falls below S\$250,000. For competitive reasons and confidentiality of staff remuneration, the Board believes it is unwise to disclose the breakdown in dollar terms and aggregate amount of the remuneration paid to Ms Koh.

None of the Directors (including the CEO) and the top key management personnel (who are not Directors or the CEO) of the Company has received any termination, retirement and post-employment benefits for FY2016.

There is no employee of the Group who is an immediate family member of a Director, CEO or substantial shareholder for FY2016.

## CORPORATE GOVERNANCE REPORT

### Principle 10 – Accountability

The Board is accountable to the shareholders and provides the shareholders with a detailed and balanced explanation and analysis of the Group's performance, position and prospects on a half-yearly basis.

Management is accountable to the Board and presents monthly financial statements of the Group's performance, position and prospects to the AC and Board for review and/or approval.

For the interim unaudited financial statements, the Board provides a negative assurance confirmation to shareholders, in line with Rule 705(5) of the Catalist Rules.

### Principle 11 – Risk Management and Internal Controls

The Board recognises the importance of a sound system of internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems on an annual basis. It should be noted that such systems are designed to manage rather than to eliminate the risk of failure. Accordingly, the systems can provide only reasonable, and not absolute assurance against occurrence of material errors, poor judgement in decision-making, losses resulting from human error, fraud and non-compliance with all relevant legislation or other irregularities.

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

For FY2016, the Company has been focusing on its property investments in Japan through 2 asset managers, who assist the Company to manage the Company's properties in Japan. The asset managers each adopted their own code of conduct and business ethics which they comply with at all times as part of their corporate governance. They provide property management report and accounting report to the Company on a monthly basis. In addition, rental income received by the Company is subject to independent checks by several independent parties in Japan which are regulated by Financial Services Agency in Japan. In this respect, the AC is of the view that the existing internal checks conducted by several independent parties in relation to the Company's properties in Japan are adequate and effective. The current AC, which was only constituted on 7 July 2016, has considered the effectiveness of the Group's internal control system in the light of key business and financial risks affecting its business.

The Board has received assurances from Lyn Hian Woon, the former Executive Chairman and CEO and Koh Chai Nyuk, the CFO of the Company, in respect of FY2016 that:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal control systems are in place and effective.

the ("Assurances").

The current Board was constituted only on 30 June 2016 and the AC was only constituted on 7 July 2016, which was subsequent to FY2016. While the AC and the Board have considered the internal controls established and maintained by the Group, work performed by the external auditors in the course of their statutory audit (to the extent as required by them to form an audit opinion on the statutory financial statements), reports issued by asset managers on monthly basis, internal checks conducted by the several independent parties in Japan over the rental income received from the Company's properties in Japan, the Assurances and reviews performed by the Management, the Board and AC, given the short time frame in the Company, are unable to form an opinion on the adequacy and effectiveness of the system of internal controls established addressing the financial, operational, compliance and information technology risks, and risk management systems of the Group for FY2016. The Board and AC are currently reviewing, *inter alia*, the current internal controls of the Group.

## CORPORATE GOVERNANCE REPORT

### Principle 12 – Audit Committee

As at 23 September 2016, the AC comprises the following members, two of whom, are independent directors:

Chen Yeow Sin	Chairman
Poh Wee Chiow, Roger	Member
Yong Chor Ken	Member

No former partner or Director of the Company's existing auditing firm is a member of the AC.

The Board is of the view that all the members of the AC are appropriately qualified to discharge their responsibilities. At least two members including the Chairman of AC have the requisite accounting and related financial management expertise and experience.

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

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

The amount of fees payable to RSM Chio Lim LLP for FY2016 amounted to S\$38,000 for audit services and S\$3,500 for non-audit services.

The AC has conducted an annual review of the volume and nature of all non-audit services of the Group provided by the external auditor, RSM Chio Lim LLP, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, is pleased to recommend to the Board that RSM Chio Lim LLP be nominated for re-appointment as external auditors of the Company at the forthcoming AGM to be held on 26 October 2016.

The Company has complied with Rules 712 and 715 of the Catalyst Rules in relation to its external auditors.

The AC has met with the external auditors without the presence of the Company's Management in FY2016.

### Whistle-blowing Policy

Management has put in place, with the AC's endorsement, arrangements by which staff of the Group may, in confidence, contact the independent Company Secretary, allowing any staff to raise concerns about possible improprieties in matters of financial reporting or other matters. The objective for such arrangements is to ensure independent investigation of matters raised and to allow appropriate actions to be taken. There were no whistle-blowing letters received during FY2016 and up to 23 September 2016. The Company will be extending the whistle-blowing policy to external parties and will disclose the procedures for raising concerns under the whistle-blowing arrangement via the Company's website.



## CORPORATE GOVERNANCE REPORT

### Principle 13 – Internal Audit

The Board has deliberated and agreed that given the size of the current business and operations of the Company, it does not warrant the Company to have an in-house internal audit function or to appoint internal auditors. The asset managers for the Company's properties in Japan each adopted their own code of conduct and business ethics which they comply with at all times as part of their corporate governance. They provide property management report and accounting report to the Company on a monthly basis. In addition, rental income received by the Company is subject to independent checks by several independent parties in Japan which are regulated by Financial Services Agency in Japan.

As part of the annual statutory audit of the financial statements, the external auditors also reports to the AC on any material weaknesses in the Group's internal controls and provide recommendation on other significant matters such as risk management which have come to their attention during the course of the audit.

### Principle 14 – Shareholders Rights

#### Principle 15 – Communication with Shareholders

The Company is aware of its obligations to shareholders in providing information regarding any changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares.

All shareholders are entitled to attend and vote at general meetings in person or by appointment of proxy(ies). The rules including the voting procedures are set out in the notice of general meetings. In accordance with the Constitution of the Company, shareholders may appoint one or two proxies to attend and vote at general meetings in their absence. The proxy forms must be deposited with the Company not less than forty-eight (48) hours before the time set for the general meetings.

A Relevant Intermediary<sup>1</sup> may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

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

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

<sup>1</sup> A Relevant Intermediary is:

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

## CORPORATE GOVERNANCE REPORT

The Group believes in encouraging shareholders' participation at general meetings which also act as a platform to solicit and understand the views of shareholders.

The Company does not have a fixed dividend policy. An interim dividend of 0.1 Singapore cents per ordinary share had been declared on 11 February 2016 and paid on 29 February 2016. The Company will not be paying final dividends to shareholders for FY2016 as the Company has no distributable profits to declare dividends.

### Principle 16 – Conduct of Shareholder Meetings

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

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

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

Separate resolutions are tabled and passed at every general meeting on each distinct issue.

The Company utilises the system of electronic poll voting at all its general meetings. The voting results of all votes cast in respect of each resolution and the respective percentages will be displayed instantaneously during the AGM and announced via SGXNET after the general meetings.

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### Interested Persons Transactions ("IPTs")

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

There were no IPTs with value of S\$100,000 and above transacted in FY2016.

### Dealings in Securities

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

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

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

### Material Contract

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

## CORPORATE GOVERNANCE REPORT

### Non-Sponsor Fees

There were no non-sponsor fees paid to the Company's continuing sponsor PrimePartners Corporate Finance Pte. Ltd. during FY2016.

### Use of Proceeds from Placements

- (a) The net proceeds from the placement which completed on 12 June 2014, was approximately S\$6.800 million ("June Placement"), out of which the amount utilised as at 23 September 2016 was approximately S\$6.072 million, as set out below:

Intended Use	Amount of Net Proceeds allocated S\$'000	Amount Utilised to date S\$'000	Amount Unutilised to date S\$'000
General working capital	680	–	680
Potential acquisitions and investments	6,120	6,072 <sup>1</sup>	48
<b>Total</b>	<b>6,800</b>	<b>6,072</b>	<b>728</b>

**Note:**

<sup>1</sup> Utilised to partially fund the consideration for the acquisition of five investment properties via Richwood Asia I Investments and One Room Mansion Limited.

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

- (b) The net proceeds from the November 2014 placement was approximately S\$28.340 million, out of which the amount utilised as at 23 September 2016 was approximately S\$26.923 million, 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 diversification	26,923	26,923 <sup>1</sup>	–
<b>Total</b>	<b>28,340</b>	<b>26,923</b>	<b>1,417</b>

**Note:**

<sup>1</sup> Utilised to partially fund the consideration for the acquisition of Richwood Asia Investments Limited and One Room Mansion Limited.

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



# STATEMENT BY DIRECTORS AND FINANCIAL STATEMENTS

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## STATEMENT BY DIRECTORS

The directors of Imperium Crown Limited (the “Company”) are pleased to present the accompanying financial statements of the Company and its subsidiaries (the “Group”) for the reporting year ended 30 June 2016.

### 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of the statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

### 2. DIRECTORS IN OFFICE AT DATE OF STATEMENT

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

- Wan Jinn Woei (appointed on 17 August 2016)
- Yong Chor Ken (appointed on 30 June 2016)
- Poh Wee Chiow, Roger (appointed on 30 June 2016)
- Chen Yeow Sin (appointed on 30 June 2016)

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### 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	At beginning of reporting year or date of appointment if later	At end of reporting year	At beginning of reporting year or date of appointment if later	At end of reporting year

Imperium Crown Limited

Yong Chor Ken	10,300,000	10,300,000	—	—
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The directors' interests as at 21 July 2016 were the same as those as at 30 June 2016.

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

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

## STATEMENT BY DIRECTORS

### 5. SHARE OPTIONS

The Imperium Crown Share Option Scheme (formerly known as CDI Employee Share Option Scheme) (the “Scheme”) was approved by shareholders at an Extraordinary General Meeting of the company held on 23 November 2005.

Under the Scheme, the Company may grant options to employees of the Group and executive and non-executive directors of the Company. Approval by the independent shareholders is required for any participant who is an associate of a controlling shareholder.

The Scheme will be administered by the Remuneration Committee in its sole and absolute discretion with such powers and duties as are conferred on it by the board of directors.

The Scheme expired on 22 November 2015.

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

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

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

There were no employee share options granted since the commencement of the Scheme. Therefore, the provisions defined under Rules 852(1)(b), (c) and (d) of the Listing Manual (Section B: Rules of Catalist) are not applicable.

### 6. AUDIT COMMITTEE

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

- Chen Yeow Sin (Chairman of AC)
- Yong Chor Ken (Non-independent and non-executive director)
- Poh Wee Chiow, Roger (Independent and non-executive director)

All members of the AC are non-executive directors.

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

- Reviewed the half yearly and annual financial statements and the independent auditor’s report on the annual financial statements of the company before their submission to the board of directors;
- Reviewed the effectiveness of the Company’s material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the external auditor;
- Met with the independent auditor, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed 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.



## STATEMENT BY DIRECTORS

### 6. AUDIT COMMITTEE (cont'd)

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

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

### 7. INDEPENDENT AUDITOR

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

### 8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the Company, work performed by the external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the Company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 30 June 2016.

### 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 26 August 2016, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

**Wan Jinn Woei**  
Director

**Yong Chor Ken**  
Director

22 September 2016

# INDEPENDENT AUDITOR'S REPORT

To the Members of Imperium Crown Limited (Company Registration No. 199505053Z)

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Imperium Crown Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

### Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the company as at 30 June 2016 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

### RSM Chio Lim LLP

Public Accountants and  
Chartered Accountants  
Singapore

22 September 2016

Partner in charge of audit: Adrian Tan Khai-Chung  
Effective from year ended 30 June 2016

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2016

	Note	Group 2016 \$'000	2015 \$'000
<b>Continuing operations</b>			
Revenue	5	4,742	1,734
Less: Property operating expenses		(1,773)	(564)
Net property income		2,969	1,170
Other income	6	197	77
Depreciation of property, plant and equipment		(14)	(111)
Other operating expenses	7	(1,528)	(3,077)
Finance costs	9	(554)	(313)
Net fair value loss on financial derivatives		(450)	–
Net fair value (loss)/gain on investment properties	13	(16,501)	19,204
<b>(Loss)/Profit before income tax</b>		<b>(15,881)</b>	<b>16,950</b>
Income tax credit/(expense)	11	3,505	(4,438)
<b>(Loss)/Profit from continuing operations, net of tax</b>		<b>(12,376)</b>	<b>12,512</b>
<b>Discontinued operations</b>			
Loss from discontinued operations, net of tax	10	–	(534)
<b>(Loss)/Profit for the year</b>		<b>(12,376)</b>	<b>11,978</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Revaluation of property, plant and equipment, net of tax	21	504	–
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign operations, net of tax	21	9,350	(88)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>9,854</b>	<b>(88)</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(2,522)</b>	<b>11,890</b>
<b>Earnings per share</b>			
Earnings per share currency unit		<b>Cents</b>	<b>Cents</b>
<b>Basic</b>			
Continuing operations		(2.53)	3.16
Discontinued operations		–	(0.13)
	25	<b>(2.53)</b>	<b>3.03</b>
<b>Diluted</b>			
Continuing operations		(2.53)	3.16
Discontinued operations		–	(0.13)
	25	<b>(2.53)</b>	<b>3.03</b>

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



## STATEMENTS OF FINANCIAL POSITION

As at 30 June 2016

	Note	Group 2016 \$'000	2015 \$'000	Company 2016 \$'000	2015 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	50	286	50	286
Investment properties	13	94,066	72,050	880	–
Long-term prepaid consumption tax		–	21	–	–
Investments in subsidiaries	14	–	–	36,357	31,000
<b>Total non-current assets</b>		<b>94,116</b>	<b>72,357</b>	<b>37,287</b>	<b>31,286</b>
<b>Current assets</b>					
Other investments	15	–	–	–	–
Trade and other receivables	16	277	31	39	25
Amounts due from subsidiaries	17	–	–	–	872
Cash and cash equivalents	18	5,261	10,530	4,796	10,100
Restricted cash	19	4,205	3,003	–	–
<b>Total current assets</b>		<b>9,743</b>	<b>13,564</b>	<b>4,835</b>	<b>10,997</b>
<b>Total assets</b>		<b>103,859</b>	<b>85,921</b>	<b>42,122</b>	<b>42,283</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	20	47,815	47,815	47,815	47,815
Treasury shares	20	(58)	–	(58)	–
(Accumulated losses)/retained earnings		(4,172)	8,693	(7,243)	(6,268)
Other reserves	21	9,962	108	504	–
<b>Total equity</b>		<b>53,547</b>	<b>56,616</b>	<b>41,018</b>	<b>41,547</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	11	1,502	4,801	103	–
Other financial liabilities	22	45,162	15,913	270	–
Security deposits		1,157	1,208	–	–
<b>Total non-current liabilities</b>		<b>47,821</b>	<b>21,922</b>	<b>373</b>	<b>–</b>
<b>Current liabilities</b>					
Income tax payable		–	65	–	–
Trade and other payables	23	1,621	1,046	551	736
Other financial liabilities	22	547	6,049	180	–
Deferred revenue		323	223	–	–
<b>Total current liabilities</b>		<b>2,491</b>	<b>7,383</b>	<b>731</b>	<b>736</b>
<b>Total liabilities</b>		<b>50,312</b>	<b>29,305</b>	<b>1,104</b>	<b>736</b>
<b>Total equity and liabilities</b>		<b>103,859</b>	<b>85,921</b>	<b>42,122</b>	<b>42,283</b>

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

## STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2016

	Share capital \$'000	Treasury shares \$'000	Retained earnings/ (accumulated losses) \$'000	Translation reserves \$'000	Revaluation reserves \$'000	Total equity \$'000
<b>Group</b>						
<b>Current year</b>						
At 1 July 2015	47,815	—	8,693	108	—	56,616
<b>Movements in equity</b>						
Purchase of treasury shares (note 20)	—	(58)	—	—	—	(58)
Loss for the year	—	—	(12,376)	—	—	(12,376)
Dividends paid (note 24)	—	—	(489)	—	—	(489)
Exchange differences on translating foreign operations	—	—	—	9,350	—	9,350
Revaluation of property, plant and equipment	—	—	—	—	504	504
<b>At 30 June 2016</b>	<b>47,815</b>	<b>(58)</b>	<b>(4,172)</b>	<b>9,458</b>	<b>504</b>	<b>53,547</b>
<b>Previous year</b>						
At 1 July 2014	19,456	—	(3,285)	196	—	16,367
<b>Movements in equity</b>						
Profit for the year	—	—	11,978	—	—	11,978
Exchange differences on translating foreign operations	—	—	—	(88)	—	(88)
Issue of shares (note 20)	29,400	—	—	—	—	29,400
Share issue expenses (note 20)	(1,041)	—	—	—	—	(1,041)
<b>At 30 June 2015</b>	<b>47,815</b>	<b>—</b>	<b>8,693</b>	<b>108</b>	<b>—</b>	<b>56,616</b>

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

## STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2016

	Share capital \$'000	Treasury shares \$'000	Retained earnings/ (accumulated losses) \$'000	Revaluation reserves \$'000	Total equity \$'000
<b>Company</b>					
<b>Current year</b>					
At 1 July 2015	47,815	—	(6,268)	—	41,547
<b>Movements in equity</b>					
Purchase of treasury shares (note 20)	—	(58)	—	—	(58)
Loss for the year	—	—	(486)	—	(486)
Dividends paid (note 24)	—	—	(489)	—	(489)
Revaluation of property, plant and equipment	—	—	—	504	504
<b>At 30 June 2016</b>	<b>47,815</b>	<b>(58)</b>	<b>(7,243)</b>	<b>504</b>	<b>41,018</b>
<b>Previous year</b>					
At 1 July 2014	19,456	—	(6,680)	—	12,776
<b>Movements in equity</b>					
Profit for the year	—	—	412	—	412
Issue of shares (note 20)	29,400	—	—	—	29,400
Share issue expenses (note 20)	(1,041)	—	—	—	(1,041)
<b>At 30 June 2015</b>	<b>47,815</b>	<b>—</b>	<b>(6,268)</b>	<b>—</b>	<b>41,547</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2016

	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax from continuing operations	(15,881)	16,950
Loss before tax from discontinued operations	–	(167)
	(15,881)	16,783
Adjustments for:		
Amortisation of long-term prepaid consumption tax	21	6
Depreciation of property, plant and equipment	14	111
Allowance for impairment loss on trade and other receivables	1	–
Interest income	(55)	(16)
Finance costs	554	313
Loss/(Gain) on disposal of property, plant and equipment	–	22
Transfer of property, plant and equipment to director as remuneration	–	300
Net fair value loss on financial derivatives	450	–
Net fair value loss/(gain) on investment properties	16,501	(19,204)
Loss on disposal of discontinued operations	–	2,587
Operating cash flows before changes in working capital	1,605	902
Inventories	–	(1)
Trade and other receivables	291	1,382
Trade and other payables	433	(5,753)
Contract work-in-progress	–	234
Deferred revenue	57	–
<b>Net cash flows from operations</b>	2,386	(3,236)
Income taxes paid	(71)	(436)
<b>Net cash flows from/(used in) operating activities</b>	2,315	(3,672)
<b>Cash flows from investing activities</b>		
Acquisition of investment properties (including acquisition related costs and capital expenditures)	(21,028)	–
Acquisition of TK arrangements (note 14)	–	(31,000)
Disposal of subsidiaries, net of cash disposed of (note 10)	–	39
Interest received	52	16
Purchase of property, plant and equipment	(51)	(138)
Proceeds from sale of property, plant and equipment	–	96
<b>Net cash flows used in investing activities</b>	(21,027)	(30,987)
<b>Cash flows from financing activities</b>		
Dividends paid	(489)	–
Proceeds from bank borrowings	22,348	–
Repayments of bank borrowings	(7,070)	(182)
Repayments of finance lease liabilities	–	(227)
Purchase of treasury shares	(58)	–
Proceeds from issuance of shares	–	29,400
Share issue expenses	–	(1,041)
Security deposits	(288)	–
Interest paid	(472)	(313)
Restricted cash	(612)	189
<b>Net cash flows from financing activities</b>	13,359	27,826
<b>Net decrease in cash and cash equivalents</b>	(5,353)	(6,833)
Cash and cash equivalents at beginning of year	10,530	17,321
Effect of exchange rate changes on cash and cash equivalents	84	42
<b>Cash and cash equivalents at end of year (note 18)</b>	5,261	10,530

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

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

## 1. GENERAL

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

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

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

The principal activities of the subsidiaries are set out in note 14 to the financial statements.

The registered office is: 25 Bukit Batok Crescent #08-01 The Elitist, Singapore 658066. The company is situated in Singapore.

### Accounting convention

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

### Basis of preparation of financial statements

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

### Basis of presentation

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### 2A. Significant accounting policies

##### Revenue recognition

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

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

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

Interest income is recognised using the effective interest method.

##### Employee benefits

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

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

##### Borrowings

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

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

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

##### Foreign currency transactions

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

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



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

#### 2A. Significant accounting policies (cont'd)

##### Translation of financial statements of other entities

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

##### Segment reporting

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

##### Income tax

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

##### Property, plant and equipment

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

Leasehold properties	– 2%
Renovations and furniture	– 16.7% – 50%
Office and other equipment	– 20% – 50%
Motor vehicles	– 20%
Exhibition equipment and showcases	– 20% – 50%

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

#### 2A. Significant accounting policies (cont'd)

##### Property, plant and equipment

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

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

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

##### Investment property

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

##### Leases

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

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



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

#### 2A. Significant accounting policies (cont'd)

##### Subsidiaries

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

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

##### Business combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the reporting year.

##### Impairment of non-financial assets

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

When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

##### Financial assets

##### Initial recognition, measurement and derecognition

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

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



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

#### 2A. Significant accounting policies (cont'd)

##### Financial assets (cont'd)

##### Subsequent measurement

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

- (i) Financial assets at fair value through profit or loss: Assets are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading assets) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to assets at fair value through profit or loss are recognised directly in profit or loss.
- (ii) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
- (iii) Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.
- (iv) Available for sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

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##### Cash and cash equivalents

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

##### Hedging

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

#### 2A. Significant accounting policies (cont'd)

##### Derivatives

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

##### Financial liabilities

##### Initial recognition, measurement and derecognition

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

##### Subsequent measurement

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

- (i) Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
- (ii) Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

##### Fair value measurement

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

#### 2A. Significant accounting policies (cont'd)

##### Fair value measurement (cont'd)

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

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.

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#### 2B. Other explanatory information

##### Provisions

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

##### Treasury shares

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

#### 2C. Critical judgements, assumptions and estimation uncertainties

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



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

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

##### (a) Valuation of investment properties

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuers have used valuation methods that involve certain estimates.

The fair values are determined using the income approach, which includes the direct capitalisation method and discounted cash flow method. This approach involves the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The fair value amounts are disclosed in the note on investment properties.

##### (b) 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.

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### 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

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

#### 3A. Members of a group

As at 30 June 2015, the ultimate controlling party was Mr. Lim Chuan Lam.

During the year ended 30 June 2016, following the sale of 128,925,925 ordinary shares held by Mr. Lim Chuan Lam to Ms Tan Geok Bee and Mr. Sim Chng Yong, the ultimate controlling party became Third Rose Asia Sdn Bhd ("Third Rose Asia") whose shares are held on behalf by Ms Tan Geok Bee.

#### 3B. Related party transactions

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

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

#### 3B. Related party transactions (cont'd)

##### Significant related party transactions

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

	2016 \$'000	Group 2015 \$'000
<u>Related parties</u>		
Rental income		
– Communication Design International (Singapore) Pte Ltd (“CDI Singapore”) <sup>(a)</sup>	54	–
Reimbursement of cost of extraordinary general meeting (“EGM”)		
– Third Rose Asia <sup>(b)</sup>	(139)	–

Note:

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

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

During the year ended 30 June 2015, a motor vehicle was disposed and transferred to Mr. Bay Cheow Guan David as remuneration at net book value of \$300,000 when the fair value was \$391,000.

#### 3C. Key management compensation

	2016 \$'000	Group 2015 \$'000
Salaries and other short-term employee benefits	299	2,450

The above amounts are included under employee benefits expense of both continuing and discontinued operations. During the year ended 30 June 2015, key management compensation relating to discontinued operations amounted to \$875,000. Included in the above amounts are the following items:

	2016 \$'000	Group 2015 \$'000
Remuneration of directors of the Company	17	1,318
Fees to directors of the Company	141	197

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.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

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

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

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

There were no property development activities during the reporting year.

The discontinued operations relate to the outsourced marketing services segment that was disposed of during the reporting year ended 30 June 2015 (note 10).

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

#### 4B. Profit or loss from continuing operations and reconciliations

	Property development and property investment \$'000	Unallocated segment \$'000	Eliminations \$'000	Group \$'000
2016				
Sales to external customers	4,742	–	–	4,742
Recurring EBITDA	2,969	–	–	2,969
Other income	102	95	–	197
Depreciation	–	(14)	–	(14)
Finance costs	(554)	–	–	(554)
Net fair value loss on financial derivatives	–	(450)	–	(450)
Net fair value loss on investment properties	(16,501)	–	–	(16,501)
Other operating expenses	(195)	(1,333)	–	(1,528)
Loss before income tax	(14,179)	(1,702)	–	(15,881)
Income tax credit	3,505	–	–	3,505
Loss after income tax	(10,674)	(1,702)	–	(12,376)



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

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

	Property development and property investment \$'000	Outsourced marketing services \$'000	Unallocated segment \$'000	Eliminations \$'000	Group \$'000
<b>2015</b>					
Sales to external customers	1,734	27,098	–	(27,098)	1,734
Recurring EBITDA	1,170	7,419	–	(7,419)	1,170
Other income	–	249	77	(249)	77
Depreciation	–	–	(111)	–	(111)
Finance costs	(298)	(22)	(15)	22	(313)
Unallocated corporate costs	–	(5,226)	(3,077)	5,226	(3,077)
Loss on disposal of discontinued operations	–	(2,587)	–	2,587	–
Fair value gain on investment properties	19,204	–	–	–	19,204
Profit/(Loss) before income tax	20,076	(167)	(3,126)	167	16,950
Income tax (expense)/credit	(4,866)	(367)	428	367	(4,438)
Profit/(Loss) after income tax	15,210	(534)	(2,698)	534	12,512

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

#### 4C. Assets and reconciliations

	Property development and property investment \$'000	Unallocated segment \$'000	Group \$'000
<b>2016</b>			
Total assets for reportable segments			
– Investment properties	94,066	–	94,066
– Restricted cash	4,205	–	4,205
– Others	–	5,588	5,588
			<u>103,859</u>
<b>2015</b>			
Total assets for reportable segments			
– Investment properties	72,050	–	72,050
– Restricted cash	3,003	–	3,003
– Others	–	10,868	10,868
			<u>85,921</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

#### 4D. Liabilities and reconciliations

	Property development and property investment \$'000	Unallocated segment \$'000	Group \$'000
<u>2016</u>			
Total liabilities for reportable segments			
– Borrowings	45,259	–	45,259
– Security deposits	1,157	–	1,157
– Deferred revenue	323	–	323
– Deferred tax liabilities	1,502	–	1,502
– Derivative financial instruments	–	450	450
– Others	–	1,621	1,621
			<u>50,312</u>
<u>2015</u>			
Total liabilities for reportable segments			
– Borrowings	21,962	–	21,962
– Security deposits	1,208	–	1,208
– Deferred revenue	223	–	223
– Deferred tax liabilities	4,801	–	4,801
– Others	–	1,111	1,111
			<u>29,305</u>

#### 4E. Other material items and reconciliations

	Property development and property investment \$'000	Outsourced marketing services \$'000	Unallocated segment \$'000	Group \$'000
<u>2016</u>				
Expenditure for non-current assets	–	–	51	51
Net fair value loss on financial derivatives	–	–	(450)	(450)
Net fair value loss on investment properties	(16,501)	–	–	(16,501)
Depreciation of property, plant and equipment	–	–	14	14
<u>2015</u>				
Expenditure for non-current assets	31,000	145	138	31,283
Net fair value gain on investment properties	19,204	–	–	19,204
Depreciation of property, plant and equipment	–	186	111	297

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

#### 4F. Geographical information

	Group	
	2016 \$'000	2015 \$'000
<u>Revenue</u>		
Continuing operations		
– Japan	4,688	1,734
– Singapore	54	–
Discontinued operations		
– Singapore	–	4,751
– United Kingdom	–	14,964
– United States of America	–	7,383
	<u>4,742</u>	<u>28,832</u>
 <u>Total consolidated assets</u>		
Continuing operations		
– Japan	98,094	75,510
– Singapore	5,765	10,411
	<u>103,859</u>	<u>85,921</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.

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#### 4G. Information about major customers

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

	Group	
	2016 \$'000	2015 \$'000
Top 1 customer	395	193
Top 2 customers	684	332
Top 3 customers	<u>957</u>	<u>462</u>

### 5. REVENUE

	Group	
	2016 \$'000	2015 \$'000
Rental income from properties	<u>4,742</u>	<u>1,734</u>



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 6. OTHER INCOME

	2016 \$'000	Group 2015 \$'000
Bank interest income	55	16
Net gain on termination compensation	78	–
Others	64	61
	<u>197</u>	<u>77</u>

### 7. OTHER OPERATING EXPENSES

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

	2016 \$'000	Group 2015 \$'000
Audit fees to independent auditors of the Company	38	35
Audit fees to independent auditors of the subsidiaries	78	40
Non-audit fees to independent auditors of the Company	4	50
Legal and professional fees	285	772
EGM expenses	246	8
Allowance for impairment loss on trade and other receivables	1	–
Loss on disposal of property, plant and equipment	–	22

### 8. EMPLOYEE BENEFITS EXPENSES

	2016 \$'000	Group 2015 \$'000
Wages and salaries	300	767
Contributions to defined contribution plan	32	28
Severance payment	–	400
Transfer of property, plant and equipment to director as remuneration (note 12)	–	300
Director's fee	141	197
Others	6	2
	<u>479</u>	<u>1,694</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 9. FINANCE COSTS

	2016 \$'000	Group 2015 \$'000
Interest expenses on:		
– finance leases	–	13
– bank borrowings	472	298
	472	311
Amortisation of transaction costs relating to loan facilities	82	–
Others	–	2
	554	313

### 10. DISPOSAL OF DISCONTINUED OPERATIONS

On 18 June 2015, the Company obtained the approval from shareholders for the disposal of the Company's entire outsourced marketing services business to the Company's previous non-executive director, Mr. Bay Cheow Guan David, for \$3,411,000. The disposal was completed on 29 June 2015. On this date, control of the following subsidiaries was passed to the acquirer:

- (i) CDI Holding Pte Ltd;
- (ii) CDI Singapore;
- (iii) Clements & Street Limited;
- (iv) CDI North Asia Ltd;
- (v) CDI Shanghai Qihua Zixun;
- (vi) CDI Solutions (India) Private Limited;
- (vii) CDI USA, Inc; and
- (viii) CDI Production Sdn Bhd.

The results from the discontinued operations, which have been included in the consolidated financial statements for the ended 30 June 2015, were as follows:

	Group 01/07/2014 to 29/06/2015 \$'000
Revenue	27,098
Expenses	(24,678)
Loss on disposal of discontinued operations	(2,587)
Loss before income tax	(167)
Income tax expense	(367)
Total loss on discontinued operations, net of tax	(534)

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 10. DISPOSAL OF DISCONTINUED OPERATIONS (cont'd)

The following table summaries the carrying value of the account balances of the discontinued operations that were disposed of on 29 June 2015:

	<b>Group At date of disposal in 2015 \$'000</b>
Property, plant and equipment (note 12)	710
Cash and cash equivalents	3,372
Trade and other receivables	4,617
Allowance for impairment of receivables (note 16)	(11)
Inventories	1
Due from customers on contracts	226
Goodwill	1,305
Total assets	<u>10,220</u>
Trade and other payables	(3,978)
Due to customers on contracts	(81)
Finance lease liabilities	(3)
Income tax payable	(92)
Deferred tax liabilities	(68)
Total liabilities	<u>(4,222)</u>
Net assets disposed of	<u>5,998</u>

The aggregate cash inflows arising from disposal of the outsourced marketing services business were:

	<b>Group At date of disposal in 2015 \$'000</b>
Net assets disposed of (as above)	5,998
Loss on disposal of discontinued operations	<u>(2,587)</u>
Cash proceeds from disposal	3,411
Less: cash and cash equivalents in subsidiaries disposed of	<u>(3,372)</u>
Net cash inflow on disposal	<u>39</u>



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 11. INCOME TAX

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

	Group	
	2016 \$'000	2015 \$'000
<u>Current tax – continuing operations</u>		
Current tax expense	5	65
Adjustments in respect of prior years	–	(428)
	5	(363)
<u>Deferred tax – continuing operations</u>		
Deferred tax (income)/expense	(3,510)	4,801
Income tax (income)/expense attributable to continuing operations	(3,505)	4,438
Income tax attributable to discontinued operations (note 10)	–	367
Income tax (income)/expense in profit or loss	(3,505)	4,805

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2015: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2016 \$'000	2015 \$'000
(Loss)/profit before tax from continuing operations	(15,881)	16,950
Loss before tax from discontinued operations (note 10)	–	(167)
	(15,881)	16,783

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	Group	
	2016 \$'000	2015 \$'000
Tax calculated at tax rate of 17% (2015: 17%)	(2,700)	2,853
Non-deductible expenses	224	1,118
Income not subject to tax	(383)	(800)
Effect of tax rates in different jurisdictions	(1,133)	1,441
Deferred tax assets not recognised	61	621
Adjustments in respect of prior years	–	(428)
Others	426	–
	(3,505)	4,805

#### 11B. Deferred tax income/(expense) recognised in profit or loss

	Group	
	2016 \$'000	2015 \$'000
Excess of fair value of investment properties over tax values	3,700	(4,801)
Undistributed earnings of subsidiaries	(190)	–
Tax loss carryforwards	61	621
Deferred tax assets not recognised	(61)	(621)
	3,510	(4,801)

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 11. INCOME TAX (cont'd)

#### 11C. Deferred tax expense recognised in other comprehensive income

	Group	
	2016	2015
	\$'000	\$'000
Revaluation of property, plant and equipment	103	–
Exchange differences on translation	108	–
	<u>211</u>	<u>–</u>

#### 11D. Deferred tax liabilities in statements of financial position

	Group	
	2016	2015
	\$'000	\$'000
<u>From deferred tax liabilities recognized in profit or loss</u>		
Excess of fair value of investment properties over tax values	(1,101)	(4,801)
Undistributed earnings of subsidiaries	(190)	–
Tax loss carryforwards	1,288	1,227
Deferred tax assets not recognised	(1,288)	(1,227)
<u>From deferred tax liabilities recognized in other comprehensive income</u>		
Revaluation of property, plant and equipment	(103)	–
Exchange differences on translation	(108)	–
Deferred tax liabilities	<u>(1,502)</u>	<u>(4,801)</u>

	Company	
	2016	2015
	\$'000	\$'000
<u>From deferred tax liabilities recognized in profit or loss</u>		
Tax loss carryforwards	1,288	1,227
Deferred tax assets not recognised	(1,288)	(1,227)
<u>From deferred tax liabilities recognized in other comprehensive income</u>		
Revaluation of property, plant and equipment	(103)	–
Deferred tax liabilities	<u>(103)</u>	<u>–</u>

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.

Deferred tax liabilities of \$29,000 attributable to discontinued operations have been disposed of as at 30 June 2015.

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties \$'000	Renovations and furniture \$'000	Office and other equipment \$'000	Motor vehicles \$'000	Exhibition equipment and showcases \$'000	Total \$'000
<u>Group</u>						
<u>Cost</u>						
At 1 July 2014	358	75	1,180	400	220	2,233
Additions	–	3	123	138	19	283
Disposals	–	–	(4)	(138)	–	(142)
Written-off	–	(21)	(11)	–	(46)	(78)
Disposal of subsidiaries (note 10)	–	(25)	(1,200)	–	(208)	(1,433)
Transfers	–	–	–	(400)	–	(400)
Currency translation differences	–	6	12	–	15	33
At 30 June 2015	358	38	100	–	–	496
Additions	–	44	7	–	–	51
Written-off	–	(15)	(90)	–	–	(105)
Adjustment on revaluation	522	–	–	–	–	522
Transfer to investment properties	(880)	–	–	–	–	(880)
At 30 June 2016	–	67	17	–	–	84
<u>Accumulated depreciation</u>						
At 1 July 2014	78	45	613	19	56	811
Depreciation for the year – continuing operations	7	3	–	101	–	111
Depreciation for the year – discontinued operations	–	6	149	–	31	186
Disposals	–	–	(1)	(20)	–	(21)
Written-off	–	(21)	(11)	–	(46)	(78)
Disposal of subsidiaries (note 10)	–	(7)	(674)	–	(42)	(723)
Transfers	–	–	–	(100)	–	(100)
Currency translation differences	–	(1)	24	–	1	210
At 30 June 2015	85	25	100	–	–	210
Adjustment on revaluation	(85)	–	–	–	–	(85)
Depreciation for the year	–	12	2	–	–	14
Written-off	–	(15)	(90)	–	–	(105)
At 30 June 2016	–	22	12	–	–	34
<u>Carrying value</u>						
At 1 July 2014	280	30	567	381	164	1,422
At 30 June 2015	273	13	–	–	–	286
At 30 June 2016	–	45	5	–	–	50



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

	Leasehold properties \$'000	Renovations and furniture \$'000	Office and other equipment \$'000	Motor vehicles \$'000	Exhibition equipment and showcases \$'000	Total \$'000
<u>Company</u>						
<u>Cost</u>						
At 1 July 2014	358	59	111	400	46	974
Additions	–	–	–	138	–	138
Disposals	–	–	–	(138)	–	(138)
Written-off	–	(21)	(11)	–	(46)	(78)
Transfers	–	–	–	(400)	–	(400)
At 30 June 2015	358	38	100	–	–	496
Additions	–	44	7	–	–	51
Written-off	–	(15)	(90)	–	–	(105)
Adjustment on revaluation	522	–	–	–	–	522
Transfer to investment properties	(880)	–	–	–	–	(880)
At 30 June 2016	–	67	17	–	–	84
<u>Accumulated depreciation</u>						
At 1 July 2014	78	43	111	19	46	297
Depreciation for the year	7	3	–	101	–	111
Disposals	–	–	–	(20)	–	(20)
Written-off	–	(21)	(11)	–	(46)	(78)
Transfers	–	–	–	(100)	–	(100)
At 30 June 2015	85	25	100	–	–	210
Depreciation for the year	–	12	2	–	–	14
Adjustment on revaluation	(85)	–	–	–	–	(85)
Written-off	–	(15)	(90)	–	–	(105)
At 30 June 2016	–	22	12	–	–	34
<u>Carrying value</u>						
At 1 July 2014	280	16	–	381	–	677
At 30 June 2015	273	13	–	–	–	286
At 30 June 2016	–	45	5	–	–	50

Leasehold property with net book value amounting to \$Nil (2015: \$273,000) was mortgaged to a finance company. In addition, during the year ended 30 June 2015, motor vehicle with net book value of \$300,000 was transferred to Mr. Bay Cheow Guan David as remuneration (note 3).

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 13. INVESTMENT PROPERTIES

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>At valuation</u>				
At beginning of year	72,050	–	–	–
Additions (note 14)	20,236	53,113	–	–
Transfer from property, plant and equipment	880	–	880	–
Acquisition related costs	484	–	–	–
Capital expenditures	308	–	–	–
Currency translation differences	16,609	(267)	–	–
(Decrease)/increase in fair value recognised in profit or loss	(16,501)	19,204	–	–
At end of year	94,066	72,050	880	–

The following amounts are recognised in profit or loss:

Rental income	4,742	1,734	54	–
Operating expenses arising from investment properties that generated rental income	(1,773)	(564)	(10)	–

During the reporting year ended 30 June 2015, the Company, through its subsidiaries, One Room Mansion Limited ("One Room Mansion") and Richwood Asia I Investment Limited ("Richwood Asia I Investment"), invested in investment properties in Japan by entering into Japanese tokumei kumiai arrangements ("TK arrangements") as a tokumei kumiai investor ("TK investor") with Japanese limited liability companies known as tokumei kumiai operators ("TK operators"), which are the property holding companies. Such TK arrangements are a common method of investing and holding real estate in Japan. The relationship between the TK operators and TK investors is governed by tokumei kumiai agreements ("TK agreements"), whereby the TK investors provide funds to the TK operators in return for income derived from the investment properties held by the TK operators (the "TK business").

As of 30 June 2015, the Group, through One Room Mansion and Richwood Asia I Investment, respectively, had entered into TK agreements with two Japanese TK operators, Godo Kaisha Three Line and Godo Kaisha Halekulani (note 14).

On 6 January 2015, the Group acquired three investment properties for a consideration of \$31,000,000. The fair value of these investment properties were \$72,705,000 (equivalent to JPY6,550,000,000) and \$72,050,000 (equivalent to JPY6,550,000,000) at the acquisition date and 30 June 2015, respectively.

During the reporting year ended 30 June 2016, the Group, through One Room Mansion, acquired two additional investment properties, namely, New City Apartment Minowa and New City Apartment Kuramae, for a consideration of \$20,236,000 (equivalent to approximately JPY1,760,000,000).

The fair value of each investment property was measured in June 2016 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year.

The fair value of the properties in Japan and Singapore are based on valuations made by Jones Lang LaSalle K.K. (2015: Colliers International Tokyo) and Jones Lang LaSalle Property Consultants Pte Ltd, firms of independent professional valuers, respectively, on a systematic basis at least once yearly. The firms hold recognised and relevant professional qualifications with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the year.

Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 13. INVESTMENT PROPERTIES (cont'd)

The bank borrowings are secured by investment properties of the Group with fair value amounting to \$93,186,000 (2015: \$72,050,000) (note 22).

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

	Property 1	Property 2	Property 3	Property 4	Property 5	Property 6
Location	Hatchobori Place, Chuo-ku, Tokyo	Green Forest Itabashi, Itabashi-ku, Tokyo	Green Forest Kuramae, Taito-ku, Tokyo	New City Apartment Minowa, Arakawa-ku, Tokyo	New City Apartment Kuramae, Taito-ku Tokyo	10 Bukit Batok Crescent #04-01, The Spire, Singapore
Description	Office building	Retail cum residential	Residential	Residential	Residential	Commercial
Land area	579.92 sqm	1,221.67 sqm	707.61 sqm	363.64 sqm	322.24 sqm	185 sqm
Tenure of land	Freehold	Leasehold interest in land and freehold interest in building	Freehold	Freehold	Freehold	Leasehold
Last valuation date	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016
Fair value	\$26,320,000 (2015: \$25,300,000)	\$21,188,000 (2015: \$23,870,000)	\$22,503,000 (2015: \$22,880,000)	\$9,356,000 (2015: \$Nil)	\$13,819,000 (2015: \$Nil)	\$880,000 (2015: \$Nil)
Fair value hierarchy	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3
Valuation technique	Discounted cash flow method/Direct capitalisation method	Discounted cash flow method/Direct capitalisation method	Discounted cash flow method/Direct capitalisation method	Discounted cash flow method/Direct capitalisation method	Discounted cash flow method/Direct capitalisation method	Comparison with market evidence of recent transaction prices for similar properties
Significant unobservable inputs and range (weighted average)	Capitalisation rate: 3.8% (2015: 3.5%) Terminal capitalisation rate: 4.0% (2015: 3.6%) Discount rate: 3.6% (2015: 3.3%)	Capitalisation rate: 4.4% (2015: 3.9%) Terminal capitalisation rate: 4.5% (2015: 4.0%) Discount rate: 4.1% (2015: 3.7%)	Capitalisation rate: 4.3% (2015: 3.7%) Terminal capitalisation rate: 4.5% (2015: 3.8%) Discount rate: 4.1% (2015: 3.5%)	Capitalisation rate: 4.2% (2015: Nil) Terminal capitalisation rate: 4.4% (2015: Nil) Discount rate: 4.0% (2015: Nil)	Capitalisation rate: 4.2% (2015: Nil) Terminal capitalisation rate: 4.4% (2015: Nil) Discount rate: 4.0% (2015: Nil)	Not applicable



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 13. INVESTMENT PROPERTIES (cont'd)

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

	Property 1	Property 2	Property 3	Property 4	Property 5	Property 6
Relationship of unobservable inputs to fair value	Favourable (adverse) changes in discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows will increase (decrease) fair value	Favourable (adverse) changes in discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows will increase (decrease) fair value	Favourable (adverse) changes in discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows will increase (decrease) fair value	Favourable (adverse) changes in discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows will increase (decrease) fair value	Favourable (adverse) changes in discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows will increase (decrease) fair value	Not applicable
Sensitivity on management's estimates	A hypothetical 10% change in rental income would have an effect on profit or loss before tax of \$3,027,000	A hypothetical 10% change in rental income would have an effect on profit or loss before tax of \$2,500,000	A hypothetical 10% change in rental income would have an effect on profit or loss before tax of \$2,369,000	A hypothetical 10% change in rental income would have an effect on profit or loss before tax of \$1,079,000	A hypothetical 10% change in rental income would have an effect on profit or loss before tax of \$1,474,000	A hypothetical 10% change in estimate would have an effect on profit or loss before tax of \$88,000

The investment properties are leased to non-related parties under operating leases.

The decrease in fair value was due to unfavourable financial market conditions and property prices compared to the previous year.

### 14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016 \$'000	2015 \$'000
At beginning of year	31,000	1,363
Acquisition of new TK arrangements	–	31,000
Quasi-equity loans receivable	5,357	–
Disposals (note 10)	–	(1,169)
Allowance for impairment	–	(194)
At end of year	36,357	31,000
Total cost comprising:		
Unquoted equity shares at cost	31,000	31,194
Quasi-equity loans receivable	5,357	–
Less: allowance for impairment	–	(194)
	36,357	31,000
Analysis of above amount in non-functional currencies:		
– JPY	3,164	–
– USD	17	–

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 14. INVESTMENTS IN SUBSIDIARIES (cont'd)

	Company	
	2016 \$'000	2015 \$'000
<u>Movements in allowance for impairment</u>		
At beginning of year	194	62
Impairment allowance made	–	194
Impairment allowance utilised	(194)	(62)
At end of year	–	194

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

On 23 December 2014, the Company obtained the approval from shareholders for the diversification into the business of property development and property investment. The properties are held by One Room Mansion and Richwood Asia I Investment (the "Acquisitions"). On 6 January 2015, the Company completed the Acquisitions for a cash consideration of \$31,000,000.

Details of the Acquisitions were as follows:

	\$'000
Cash paid for investment properties	31,000

Identifiable assets acquired and liabilities assumed are as follows:

	\$'000
Trade and other receivables	25
Allowance for doubtful receivables (note 16)	(3)
Long term prepaid consumption tax	27
Investment properties (note 13)	53,113
Borrowings less restricted cash	(19,119)
Payables and security deposits	(3,043)
Total identifiable net assets	31,000

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 14. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the Company's subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest		Cost of investment	
			2016 %	2015 %	2016 \$'000	2015 \$'000
<i>Held by the Company</i>						
One Room Mansion <sup>(a)</sup>	Cayman Island	Investment holding	100	100	19,452	14,791
Richwood Asia I Investment <sup>(a)</sup>	British Virgin Islands	Investment holding	100	100	16,905	16,209
<i>Held by One Room Mansion</i>						
Godo Kaisha Three Line (TK Operator) <sup>(b)</sup>	Japan	Special purpose entity – real estate agent	100	100	—*	—*
<i>Held by Richwood Asia I Investment</i>						
Godo Kaisha Halekulani (TK Operator) <sup>(b)</sup>	Japan	Special purpose entity – real estate agent	100	100	—*	—*

#### Notes

\* Denotes less than \$1,000.

<sup>(a)</sup> Not audited as it is immaterial.

<sup>(b)</sup> Godo Kaisha Three Line and Godo Kaisha Halekulani were audited by RSM Seiwa Japan for consolidation purpose.

### 15. OTHER INVESTMENTS

	Group and Company	
	2016 \$'000	2015 \$'000
Available-for-sale unquoted equity shares at cost	—	—
Allowance for impairment	—	—
	—	—
<u>Movements in allowance for impairment</u>		
At beginning of year	—	396
Allowance written off/utilised	—	(396)
At end of year	—	—

CDI Europe GmbH was reclassified from an associate to an investment in unquoted equity shares in 2011 as management had concluded the loss of the Company's ability to exert influence over the aforesaid entity. In 2015, the investment was disposed off.



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Trade receivables</u>				
Outside parties	262	37	33	28
Less: Allowance for impairment	(32)	(31)	(28)	(28)
	230	6	5	–
<u>Other assets</u>				
Deposits	6	8	6	8
Prepayments	30	10	17	10
Others	11	7	11	7
	47	25	34	25
Total trade and other receivables	277	31	39	25
<u>Movements in allowance for impairment</u>				
At beginning of year	31	357	28	346
Allowance made	1	–	–	–
Written-off/utilised	–	(318)	–	(318)
Acquisitions (note 14)	–	3	–	–
Disposal of subsidiaries (note 10)	–	(11)	–	–
At end of year	32	31	28	28

### 17. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2016 \$'000	2015 \$'000
Non-trade	–	872

The amounts due from subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

### 18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank and on hand	2,246	6,528	1,781	6,098
Fixed deposits with bank	3,015	4,002	3,015	4,002
	5,261	10,530	4,796	10,100

The interest bearing balances are not significant.

### 19. RESTRICTED CASH

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 20. SHARE CAPITAL AND TREASURY SHARES

#### 20A. Share capital

	Number of ordinary shares issued '000	Share capital \$'000
At 1 July 2014	245,000	19,456
Issue of shares	245,000	29,400
Share issue expenses	—	(1,041)
At 30 June 2015 and 30 June 2016	490,000	47,815

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

On 18 November 2014, the Company issued 245,000,000 new ordinary shares of no par value at an issue price of \$0.12 for each ordinary share in a share placement exercise.

Following the completion of the placement exercise, the Company has an issued and paid-up share capital comprising 490,000,000 ordinary shares as at 30 June 2015.

The Company intends to utilise the net proceeds from the placement of shares for general working capital and to fund potential acquisitions and investments.

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.

#### 20B. Treasury shares

	Number of shares issued '000	Treasury shares \$'000
At 1 July 2014 and 30 June 2015	—	—
Acquisitions	1,000	58
At 30 June 2016	1,000	58

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

During the year ended 30 June 2016, the Company acquired 1,000,000 shares in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was \$58,000 (2015: \$Nil) and this was presented as a component within shareholders' equity. The fair value is \$58,000 (Level 1).

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 20. SHARE CAPITAL AND TREASURY SHARES (cont'd)

#### 20B. Treasury shares (cont'd)

##### 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).

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

The Group and the Company are in compliance with all externally imposed capital requirements for the reporting years ended 30 June 2015 and 2016.

### 21. OTHER RESERVES

#### 21A. Translation reserve

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

	Group	
	2016 \$'000	2015 \$'000
At beginning of year	108	196
Exchange differences attributable to disposal group reclassified to profit or loss	–	(140)
Exchange differences on translating foreign operations	9,350	52
At end of year	9,458	108

#### 21B. Revaluation reserve

	Group	
	2016 \$'000	2015 \$'000
At beginning of year	–	–
Revaluation of property, plant and equipment	504	–
At end of year	504	–

On the transfer of the owner-occupied property from property, plant and equipment to investment property that is carried at fair value, the change in fair value up to date of change in use is recognised as revaluation reserve as required by FRS 40.



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 22. OTHER FINANCIAL LIABILITIES

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Current</u>				
<u>Floating interest rate</u>				
Bank borrowings (note 22A)	152	286	–	–
<u>Fixed interest rate</u>				
Bank borrowings (note 22A)	215	5,763	–	–
Derivative financial instruments (note 22B)	180	–	180	–
	547	6,049	180	–
<u>Non-current</u>				
<u>Floating interest rate</u>				
Bank borrowings (note 22A)	18,553	15,913	–	–
<u>Fixed interest rate</u>				
Bank borrowings (note 22A)	26,339	–	–	–
Derivative financial instruments (note 22B)	270	–	270	–
	45,162	15,913	270	–
	45,709	21,962	450	–

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#### 22A. Borrowings

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

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
6 months or less	231	5,906	–	–
6 – 12 months	136	143	–	–
1 – 5 years	44,892	15,913	–	–
	45,259	21,962	–	–

#### Securities

Total borrowings of \$45,259,000 as at 30 June 2016 (2015: \$21,962,000) are secured by investment properties of the Group valued at \$93,186,000 (2015: \$72,050,000) (note 13).

#### Interest rates

The interest rates paid were as follows:

	Group		Company	
	2016	2015	2016	2015
Bank borrowings (floating rate)	1.08% to 2.29%	2.30% to 2.33%	–	–
Bank borrowings (fixed rate)	1.065%	3.35% to 4.48%	–	4.48%

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 22. OTHER FINANCIAL LIABILITIES (cont'd)

#### 22A. Borrowings (cont'd)

##### Fair value of non-current borrowings

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

##### Bank facilities

	2016 \$'000	2015 \$'000
Undrawn revolving credit facility	–	560

The undrawn facility is available for operating activities and to settle other commitments.

#### 22B. Derivative financial instruments

	Group and Company	
	2016 \$'000	2015 \$'000
<u>Liabilities – Derivatives with negative fair value</u>		
Currency swap contracts	450	–
Presented in statement of financial position as:		
Other financial liabilities – non-current	270	–
Other financial liabilities – current	180	–
	450	–

Movements during the year are as follows:

	2016 \$'000	2015 \$'000
Fair value at beginning of year	–	–
Additions	450	–
Fair value at end of year	450	–

##### Currency swap contracts

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

	Reference currency	Notional amount		Fair value	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Currency swaps	SGD	2,222	–	450	–

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 23. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Outside parties	8	323	8	323
Accrued expenses	1,613	723	543	413
	1,621	1,046	551	736

### 24. DIVIDENDS

	Rate per share – cents		Fair value	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interim exempt (1-tier) dividend paid	0.1	–	489	–

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

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

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

At the date of these financial statements, the Company is still in the process of seeking legal advice on the declaration and payment of the interim dividends, including its right of recourse, and the Company will make further announcements as and when there are further material developments in relation to this matter.

### 25. EARNINGS PER SHARE

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

	Group	
	2016 \$'000	2015 \$'000
Numerator: Earnings attributable to equity holders of the Company		
Continuing operations	(12,376)	12,512
Discontinued operations	–	(534)
Total basic and diluted earnings	(12,376)	11,978
	'000	'000
Denominator: Weighted average number of equity shares*		
Basic and diluted	489,495	396,027

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



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

### 26. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

#### 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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Financial assets</u>				
Cash and cash equivalents	9,466	13,533	4,796	10,100
Loans and receivables	277	31	39	897
	9,743	13,564	4,835	10,997
<u>Financial liabilities</u>				
Derivative financial instruments at fair value	450	–	450	–
Other financial liabilities measured at amortised cost	45,259	21,962	–	–
Trade and other payables measured at amortised cost	1,621	1,046	551	736
	47,330	23,008	1,001	736

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.

#### 26C. Fair values 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 2016

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

Note 18 discloses the maturity of the cash and cash equivalents balances.

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

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Less than 60 days	228	—	5	—
61 to 90 days	—	—	—	—
Over 90 days	2	—	—	—
	230	—	5	—

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

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Over 90 days	32	31	28	28

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

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

#### 26E. Liquidity risk – financial liabilities maturity analysis

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

Group	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
<u>2016</u>			
Borrowings	840	45,983	46,823
Trade and other payables	1,621	–	1,621
	<u>2,461</u>	<u>45,983</u>	<u>48,444</u>

<u>2015</u>			
Borrowings	6,192	16,279	22,471
Trade and other payables	1,046	–	1,046
	<u>7,238</u>	<u>16,279</u>	<u>23,517</u>

Company	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
---------	-------------------------------	-----------------------	-----------------

<u>2016</u>			
Trade and other payables	551	–	551

<u>2015</u>			
Trade and other payables	736	–	736

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

Group and Company	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
<u>2016</u>			
Gross settled			
Currency swap – gross payments	(1,069)	(1,603)	(2,672)
Currency swap – gross receipts	889	1,333	2,222
	<u>(180)</u>	<u>(270)</u>	<u>(450)</u>

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is approximately 90 days (2015: 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statements of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

#### 26F. Interest rate risk

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

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Financial liabilities</u>				
Fixed rates	26,553	5,763	—	—
Floating rates	18,706	16,199	—	—
	<u>45,259</u>	<u>21,962</u>	<u>—</u>	<u>—</u>

The interest rates are disclosed in the respective notes.

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

#### 26G. Foreign currency risks

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

Group	JPY \$'000	USD \$'000	Total \$'000
<u>2016</u>			
<u>Financial assets</u>			
Cash and cash equivalents	190	336	526
Net financial assets at end of year	<u>190</u>	<u>336</u>	<u>526</u>
<u>2015</u>			
<u>Financial assets</u>			
Cash and cash equivalents		341	341
Net financial assets at end of year		<u>341</u>	<u>341</u>
Company	JPY \$'000	USD \$'000	Total \$'000
<u>2016</u>			
<u>Financial assets</u>			
Cash and cash equivalents	190	333	523
Net financial assets at end of year	<u>190</u>	<u>333</u>	<u>523</u>
<u>2015</u>			
<u>Financial assets</u>			
Cash and cash equivalents		338	338
Net financial assets at end of year		<u>338</u>	<u>338</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 2016

### 27. OPERATING LEASE PAYMENT COMMITMENTS – AS LESSEE

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

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Not later than one year	27	29	27	29
Later than one year and not later than five years	2	25	2	25
Rental expenses for the year	27	6	27	6

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

### 28. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

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

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Not later than one year	271	388	–	–
Later than one year and not later than five years	1,083	1,169	–	–
Later than five years	541	746	–	–
Rental income for the year	4,742	1,734	–	–

Operating lease income commitments are for the investment properties.

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

### 29. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

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

FRS No.	Title
Various	Improvements to FRSs (Issued in January 2014). Relating to FRS 113 Fair Value Measurement
Various	Improvements to FRSs (Issued in February 2014). Relating to FRS 113 Fair Value Measurement FRS 40 Investment Property

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

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

FRS No.	Title	Effective date for periods beginning on or after
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 January 2016
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 116	Leases	1 January 2019



## STATISTICS OF SHAREHOLDING

As at 16 September 2016

Issued and fully paid-up share capital (including Treasury Shares)	:	S\$47,815,464.26
Issued and fully paid-up share capital (excluding Treasury Shares)	:	S\$47,757,464.26
Number of issued shares (excluding Treasury Shares)	:	489,000,000
Number/Percentage of Treasury Shares	:	1,000,000/0.20%
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share
The Company cannot exercise voting rights in respect of Treasury Shares.		

## DISTRIBUTION OF HOLDERS OF SHARES

as at 16 September 2016

Size of Shareholdings	Number of Holders of Shares	%	Number of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	12	3.43	9,475	0.00
1,001 – 10,000	56	16.00	300,000	0.06
10,001 – 1,000,000	234	66.86	47,045,100	9.62
1,000,001 and above	48	13.71	441,645,425	90.32
Total	<b>350</b>	<b>100.00</b>	<b>489,000,000</b>	<b>100.00</b>

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## SUBSTANTIAL SHAREHOLDERS

according to Register of Substantial Shareholders as at 16 September 2016

Name of Substantial Shareholders	Direct Interest Number of Shares	% <sup>1</sup>	Indirect Interest Number of Shares	% <sup>1</sup>
Tan Geok Bee	68,925,925	14.10	–	–
Third Rose Asia Sdn Bhd <sup>2</sup>	–	–	68,925,925	14.10
Wan Jinn Woei <sup>3</sup>	–	–	68,925,925	14.10
Sim Chng Yong	60,150,000	12.30	–	–
Ko Yee Chen <sup>4</sup>	–	–	60,000,000	12.27

Notes:

<sup>1</sup> Percentage is calculated based on 489,000,000 issued ordinary shares (excluding Treasury Shares) as at 16 September 2016.

<sup>2</sup> Third Rose Asia Sdn Bhd is deemed to be interested in 68,925,925 Shares held through Tan Geok Bee as it has nominated Tan Geok Bee to hold the 68,925,925 Shares for and on behalf of Third Rose Asia Sdn Bhd.

<sup>3</sup> Wan Jinn Woei is deemed to be interested in 68,925,925 Shares held under Third Rose Asia Sdn Bhd through Tan Geok Bee, pursuant to Section 7 of the Companies Act, Chapter 50 by virtue of his shareholdings in Third Rose Asia Sdn Bhd.

<sup>4</sup> Ko Yee Chen is deemed to be interested in 60,000,000 Shares held through Sim Chng Yong as she has nominated Sim Chng Yong to hold the 60,000,000 Shares for and on her behalf.

## STATISTICS OF SHAREHOLDING

As at 16 September 2016

### TWENTY LARGEST SHAREHOLDERS

as at 16 September 2016

Name of Holders		Number of Shares	% <sup>1</sup>
1	Tan Geok Bee	68,925,925	14.10
2	Raffles Nominees (Pte) Limited	63,597,700	13.01
3	Sim Chng Yong	60,150,000	12.30
4	OCBC Securities Private Limited	21,677,000	4.43
5	Lim You Moy	20,023,600	4.09
6	UOB Kay Hian Private Limited	18,790,000	3.84
7	Bay Cheow Guan David	17,468,000	3.57
8	Bong Yew Keng (Huang Youqing)	16,138,800	3.30
9	Kwah Yeow Yong	15,140,100	3.10
10	Ng Khim Guan @Ngadimin	12,000,000	2.45
11	Maybank Kim Eng Securities Pte Ltd	11,516,700	2.36
12	Chin Koon Yew	11,200,000	2.29
13	Yong Chor Ken	10,300,000	2.11
14	Tay Wee Kwang	10,036,500	2.05
15	Ng Shean Chyng (Huang Xianqing)	6,800,000	1.39
16	Tan Keng Peng	5,200,000	1.06
17	Anas	5,000,000	1.02
18	Lim Chee Wei	5,000,000	1.02
19	Lim Yew Choy	4,479,000	0.92
20	Phang Eng Yon	4,206,000	0.86
Total		<b>387,649,325</b>	<b>79.27</b>

<sup>1</sup> Computed based on the Company's total number of issued shares of 489,000,000 (excluding Treasury Shares).

Based on information available to the Company as at 16 September 2016, approximately 71.50% of the total number of issued shares listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") was held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Imperium Crown Limited (the “Company”) will be held at The Chevrons, Lotus Room @ Level 3, 48 Boon Lay Way, Singapore 609961 on 26 October 2016 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 2016 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr Yong Chor Ken retiring pursuant to Regulation 104 of the Constitution of the Company.  
[See Explanatory Note (i)] **(Resolution 2)**
3. To re-elect Mr Wan Jinn Woei retiring pursuant to Regulation 108 of the Constitution of the Company.  
[See Explanatory Note (ii)] **(Resolution 3)**
4. To approve the payment of Directors’ fees of S\$141,000 for the financial year ended 30 June 2016 (2015: S\$197,000). **(Resolution 4)**
5. To approve the payment of Directors’ fees of S\$136,000 for the financial year ending 30 June 2017 payable quarterly in arrears (2016: S\$141,000).  
[See Explanatory Note (iii)] **(Resolution 5)**
6. To re-appoint RSM Chio Lim LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

### AS SPECIAL BUSINESS

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

#### 8. Authority to allot and issue new shares

That pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Catalist Rules”), 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) (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) 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 percentage of the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

(Resolution 7)

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### 9. Proposed Renewal of the Share Buy-Back Mandate

That:

- (a) for the purposes of the Companies Act (Chapter 50) of Singapore (the “**Act**”) and Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), the exercise by the directors of the Company (“**Directors**”) of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the share capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
  - (i) on-market purchases, transacted on the ready market of the SGX-ST, or as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose (the “**Market Purchase**”); and/or
  - (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Catalist Rules (the “**Off-Market Purchase**”).

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy-Back Mandate**”);

## NOTICE OF ANNUAL GENERAL MEETING

- (b) unless varied or revoked by shareholders of the Company ("**Shareholders**") in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earlier of:
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held; or
  - (ii) the date on which the purchase of Shares by the Company are carried out to the full extent mandated; or
  - (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by shareholders in a general meeting.

- (c) in this resolution:

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

**"Relevant Period"** means the period commencing from the date of the passing of this resolution and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which the purchase of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting; and

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

- (i) in the case of a Market Purchase, 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Purchase, 115% of the Average Closing Price, where:

**"Average Closing Price"** means the average of the closing market prices of a Share over the last 5 Market Days ("**Market Day**" being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the Market Purchase or, as the case may be, preceding the date of the making of the offer for an Off- Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period; and

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they/he/she may consider expedient, necessary, desirable, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

**(Resolution 8)**

## NOTICE OF ANNUAL GENERAL MEETING

To consider and if thought fit, to pass the following Resolution as Special Resolution, with or without any modifications:

### 10. The adoption of the proposed New Constitution

“That the Regulations contained in the New Constitution submitted to this meeting, be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the Existing Constitution.”

*[See Explanatory Note (v)]*

**(Resolution 9)**

By Order of the Board

Wong Chuen Shya (Huang Chunxia)  
Company Secretary  
Singapore, 3 October 2016

### Explanatory Notes:

- (i) Mr Yong Chor Ken will upon re-election as a Director of the Company remain as a member of Audit, Nominating and Remuneration Committees. Mr Yong Chor Ken will not be considered independent pursuant to the Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the SGX-ST.
- (ii) Mr Wan Jinn Woei will upon re-election as a Director, remain as Executive Chairman and Chief Executive Officer of the Company.
- (iii) The Directors' fees proposed for the financial year ending 30 June 2017 are calculated based on the assumption that all Directors will hold office until the end of the financial year. This resolution is to facilitate payment of Directors' fees on current financial year basis. In the event the Directors' fees proposed is insufficient (e.g. due to enlarged Board size), approval will be sought at the next Annual General Meeting to meet the shortfall.
- (iv) Ordinary Resolution 7, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date 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, without seeking further approval from shareholders in a general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interest of the Company. The aggregate number of shares (including shares to be made in pursuance of instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares), of which up to fifty per centum (50%) may be issued other than on a *pro rata* basis to existing shareholders of the Company.

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

- (v) For Special Resolution 9, all capitalised terms used in in this Notice which are not defined herein shall have the same meaning ascribed to them in the Appendix II to shareholders of the Company dated 3 October 2016.



## NOTICE OF ANNUAL GENERAL MEETING

### Notes:

1. A Member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at the Annual General Meeting ("AGM") may appoint not more than two proxies to attend and vote in his/her stead. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Member of the Company.
2. A Relevant Intermediary\* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
 

\* A Relevant Intermediary has the meaning ascribed to it in Section 181 of the Companies Act (Cap.50).
3. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 25 Bukit Batok Crescent #08-01 The Elitist Singapore 658066 not less than forty-eight (48) hours before the time appointed for holding the AGM and at any adjournment thereof.
5. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.
6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

### Personal Data Privacy:

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

**IMPERIUM CROWN LIMITED**

Company Registration No. 199505053Z  
(Incorporated In the Republic of Singapore)

**IMPORTANT:**

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

**PROXY FORM**

(Please see notes overleaf before completing this Form)

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number)

of \_\_\_\_\_ (Address)

being a member/members of IMPERIUM CROWN LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by Proxy	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by Proxy	
		No. of Shares	%
Address			

as my/our\* proxy/proxies\* to vote for \*me/us on \*my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at The Chevrons, Lotus Room @ Level 3, 48 Boon Lay Way, Singapore 609961, on 26 October 2016 at 10.00 a.m. and at any adjournment thereof. I/We\* direct my/our\* proxy/proxies\* to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

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

No.	Ordinary Resolutions:	For	Against
<b>Ordinary Business</b>			
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2016		
2	Re-election of Mr Yong Chor Ken as a Director of the Company		
3	Re-election of Mr Wan Jinn Woei as a Director of the Company		
4	Approval of Directors' fees amounting to S\$141,000 for the financial year ended 30 June 2016		
5	Approval of Directors' fees amounting to S\$136,000 for the financial year ending 30 June 2017 payable quarterly in arrears		
6	Re-appointment of RSM Chio Lim LLP as Auditors		
<b>Special Business</b>			
7	Authority to issue new shares		
8	Renewal of share buyback mandate		
No.	Special Resolution:	For	Against
9	Adoption of New Constitution of the Company		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016

\_\_\_\_\_  
Signature of Member  
and/or Common Seal of Corporate Shareholder

\* Delete where inapplicable

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

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary\*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary\*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 25 Bukit Batok Crescent #08-01 The Elitist Singapore 658066 not less than forty-eight (48) hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

\* A Relevant Intermediary has the meaning ascribed to it in Section 181 of the Companies Act (Cap.50).

**General:**

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

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 3 October 2016.







**IMPERIUM CROWN LIMITED**

25 Bukit Batok Crescent

#08-01 The Elitist

Singapore 658066

Tel: +65 6250 0925

Fax: +65 6250 0903

Email: [inquiry@imperium-crown.com](mailto:inquiry@imperium-crown.com)

**[www.imperium-crown.com](http://www.imperium-crown.com)**