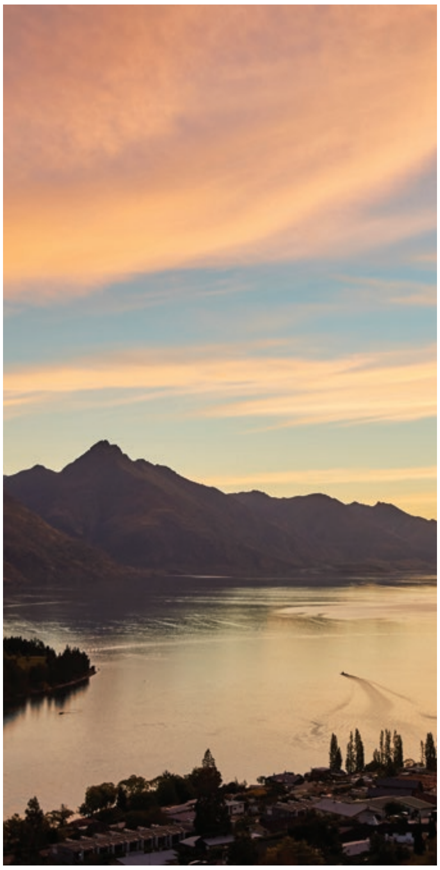
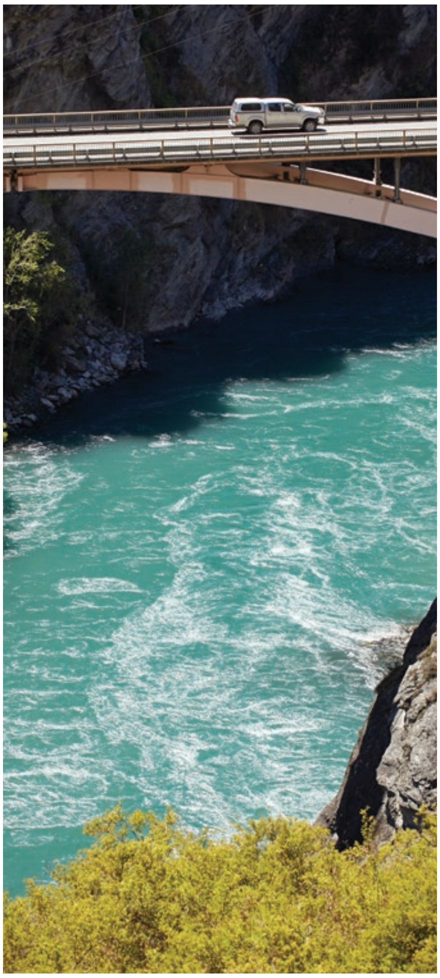
GYP PROPERTIES LIMITED **2019**

ANNUAL REPORT

OVERVIEW



OUR BUSINESS



CORPORATE GOVERNANCE

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CORPORATE PROFILE

GYP Properties Limited ("GYPP") is a real estate company with assets under management of S$174 million as at 30 June 2019. Headquartered in Singapore, the Group has offices in Singapore and New Zealand, and has a portfolio consisting of 303,051 sqm of land, comprising commercial, retail and residential assets. Our key projects in New Zealand include Remarkables Residences, Bellfield Estate and Pakuranga Town Centre.

GYPP leverages Singapore's innovative development experience by combining expertise in multi-layered hubs and community living, with New Zealand's strong consideration for materials and the environment.

Listed on the Singapore Exchange since December 2004, GYPP started in 1967 with the publication of the Yellow Pages directories and the sale of advertising space, and has since transformed into a property development, investment and management company.

The Company was listed on the Singapore Exchange on 9 December 2004. We continue on our journey as a focused property company with an expectation of launching 5 projects in the coming 3 years.

Our Vision. A trusted property company that delivers projects that owners and users value.

Mah Bow Tan

CHAIRMAN'S LETTER

Dear Shareholders,

Welcome to GYPP's 2019 Annual Report. Putting together this document is always a meaningful time for us; it gives us an opportunity to reflect on the year that has just passed and to share what the team has been working on. While new shareholders join us, we especially thank those that have journeyed with us from our print media days. As our new identity begins to take shape, we hope we will continue to grow together.

In my letter last year, I wrote about our aim of growing in a purposeful way, thinking and investing long term while remaining nimble. The Group continues to build on this in FY2019, driven by a strong team in our Singapore and New Zealand offices. While neither the size of the Company nor our portfolio has changed from the previous year, much progress has been made in developing plans for our various projects which shows increasing promise. Real estate is a long game and getting plans right is critical for success. We continue to be excited about the Group's investment choices and the future of this Company; Group CEO Stanley Tan, will elaborate more in his Development Outlook.

In this last year, we have prepared a strong foundation for the Group by updating our brand positioning and offer; focusing on our team by introducing new employee policies; and continuing our sustainability journey. I will share about some of these new initiatives and more, below.

INAUGURAL REPORT

This document represents our inaugural Annual Report as GYP Properties Limited. As some of you may remember, in October 2018, the Group was re-named GYP Properties Limited from Global Yellow Pages Limited. This has allowed us to strengthen our position as a property company. Similarly, our headquarters in Singapore was re-named Braddell House from Yellow Pages Building. By doing so, we have signalled to the market that we are ready to take the Group to the next level.

STRENGTHENING OUR CORE

With our focus on property as our core business, we spent the year divesting our remaining non-property assets. In addition to the disposal of Global Food Retail Group Pte Ltd and its subsidiaries that owned the intellectual property rights for the Wendy's brand, we also began the process of looking for a purchaser for our shares in Yellow Pages Pte Ltd with which the Group has a brand licensing arrangement with. This sale was completed on 16 August 2019.

DEVELOPMENT PROJECTS

Work on our development projects continue to progress with construction of our Remarkables Residences and Bellfield Estate projects tracking well. Stage 1 of Remarkables Residences is expected to complete and settle in 2020, and Stage 1 of Bellfield Estate was soft launched in New Zealand during the year with 64 out of 99 sections sold at the time of publication. Master planning for Pakuranga Town Centre is in its final stages as we gear up to begin introducing it to the market in FY2020.

SUSTAINABILITY

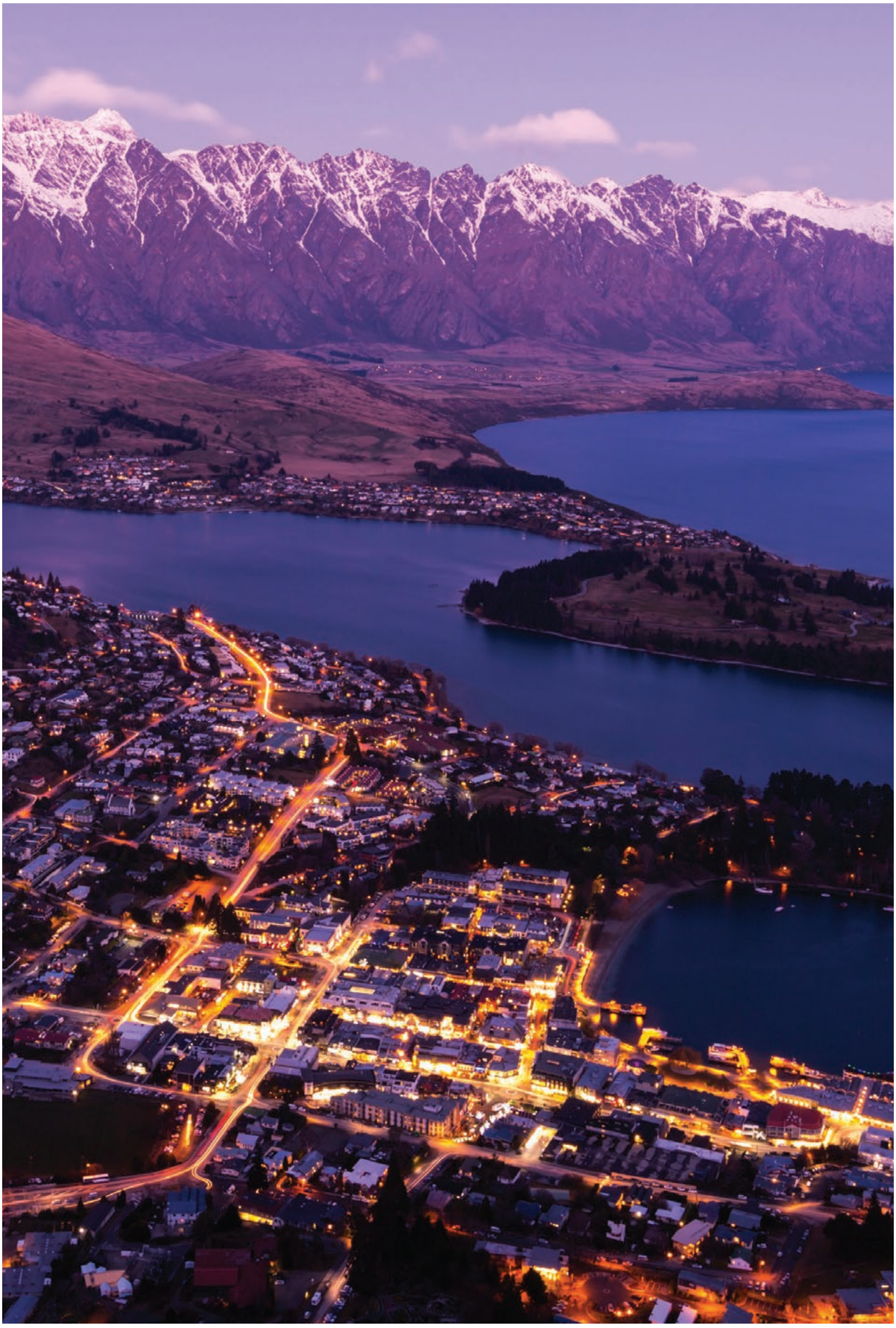
As governments, businesses and people pay increasingly more attention to Environmental, Social and Governance matters, we aspire to continually improve and do the best we can. Our 2019 Sustainability Report will be published in 30 November 2019, where we delve deeper into initiatives and progress for the year.

OUR PEOPLE

And finally, our team; the foundation of this Company. In January 2019, the Group launched a number of new HR policies to keep us attractive and inclusive as a place of work. This includes initiatives such as flexible working arrangements, a new employee volunteer programme and an increased focus on staff well-being.

Year-on-year, we are reminded that volatility is a mainstay of our modern economy. Global growth concerns continue to build this year; however, while the New Zealand market faces challenges with banks operating cautiously and investors concerned with policy changes; geographic areas in which we are active continue to perform in both house prices and transactions. I am extremely pleased with the progress the Group has made this year and would like to thank my fellow Board members, our management team and all staff for their dedication in hitting the ground running and showing strong results.

Mah Bow Tan
Chairman



Our Investment Strategy. Having acquired a diversified property portfolio, our focus is on driving financial performance and delivering sustained growth for our stakeholders.

Stanley Tan

DEVELOPMENT OUTLOOK

Business transformation is never easy. It takes grit, commitment and a whole lot of support to make it happen. Similarly, transforming from a directory publisher to a property company has been a difficult journey for us. However, as you know, the Global Yellow Pages story has had a successful transition and now, GYP Properties is taking the next step to realise our potential as a property company.

Having acquired our development stock, we have plans to build approximately 2,000 residential units, a hotel, an office block and to update our retail site in phases.

As mentioned in our Chairman's Letter, we expect to complete Stage 1 of our maiden development project – Remarkables Residences in Queenstown in the first half of next year. We are also expecting to complete the first phase of Bellfield Estate in Auckland in the second half of next year. Both projects have been launched and represent approximately NZ$75 million of development value.

Upcoming in the new year, we have targeted to launch the next phase of both our Remarkables Residences and Bellfield Estate projects. At the same time, we are working to finalise the phase one plan of Pakuranga Town Centre, as well as a residential development located on a strategic position of the Pakuranga site. When launched, these will provide over 200 residential units, as well as plans for a hotel and office block.

With our pipeline of development projects in place, the team is now focused on realising these opportunities. We will of course continue to keep a look out for attractive new opportunities in New Zealand and elsewhere that meet our development criteria.

Stanley Tan
Chief Executive Officer

PORTFOLIO

BRADDELL HOUSE

Location Toa Payoh, Singapore SG
Land area 5,039 sqm **Gross floor area** 13,416 sqm

Braddell House is a 7-storey property zoned light industry and located in District 12, a suburban area steeped in history and located just outside the city centre.

Located directly above the Braddell MRT Station, just four stops from Singapore's iconic Orchard Road, the building is used by the Group for its operations and also leased for rental.

Encircled by housing estates; conveniently surrounded by local eateries and mom-and-pop stores; and just one stop away from Toa Payoh HUB and Junction 8 Shopping Centre, the central location offers access to grocery and retail shopping, as well as banks and other amenities. The property was renamed Braddell House from the Yellow Pages Building in January 2019, following the renaming of the Group in October 2018.

PAKURANGA TOWN CENTRE

Location Pakuranga, Auckland NZ
Land area 41,212 sqm **Project size** est. 160,000 sqm

With the recent rezoning of Pakuranga into a town centre, our acquisition of retail mall Pakuranga Plaza and adjacent lots provides a strategic 4-hectare development site situated in a prime location 16 kilometres from Auckland's Central Business District.

The town centre is located at the gateway to East Auckland, on the corner of two regional arterial roads and near the Tamaki Estuary coastline. GYPP's vision is to create a vibrant hub that includes retail, community, residential, hospitality and commercial offerings. Master planning for the site is currently underway with effort to create enhanced liveable spaces surrounded by a variety of amenities.

Located within the upcoming town centre, Pakuranga Plaza is a neighbourhood shopping centre with a total gross floor area of 29,568 square metres and known locally for its easy, stress-free, everyday shopping. Anchored by three well-known tenants – Countdown, Farmers and The Warehouse – the centre is also a local business hub with two banks, a NZ Post in the area, the Plaza Tower office and Plaza Business Centre. Pakuranga Plaza is also home to local community amenities: the Pakuranga Library, Howick Local Board and Plunket.

PORTFOLIO

REMARKABLES RESIDENCES

Location Frankton Flats, Queenstown NZ
Land area 38,400 sqm **Project size** 200-225 Townhouses

Remarkables Residences is GYPP's maiden residential development located in the heart of Queenstown's growing Frankton district.

Considered one of Queenstown's most accessible suburbs, the location is close to schools and the airport, a short walk to retail and hospitality outlets, 15 minutes from central Queenstown and Arrowtown, and 30 minutes to ski fields.

Currently under construction, Remarkables Residences is Queenstown's first urban development of substantial terraced homes and offers contemporary architecture inspired by the natural environment. Stage One is fully committed with construction targeted for completion in 2020. GYPP plans to launch the next stage - an apartment project - by first quarter of 2020, with completion targeted by 2023 .

BELLFIELD ESTATE

Location Opaheke, Papakura NZ
Land area 218,400 sqm **Project size** est. 500 homes

Bellfield Estate is located in Papakura, a half hour car ride away from Auckland CBD.

Surrounded by business precincts including Red Hill and a bustling town centre on Great South Road, the development offers an attractive location with a short drive to Ardmore Airport, Manukau City and Highbrook Business Park. Approximately 22 hectares in size, the Group intends to develop the land and subdivide it for sale, and is also exploring the development of part of the land into completed residential houses and commercial units.

Civil works are currently underway and Stage One has been soft launched into the market with housing lots that will offer a mix of 2 and 3 bedroom townhouses and 3 and 4 bedroom standalone homes. The houses at Bellfield Estate have a contemporary design and use high-quality, durable construction methods and materials, as well as the latest in energy-efficient lighting, heating and appliances.

WE ARE ON A JOURNEY

UNVEILING BRADDELL HOUSE

On 2 January 2019, the Group's headquarters was renamed Braddell House from Yellow Pages Building following the change of the Company's name to reflect our core focus in property. Ushering in 2019, the Singapore team held a simple ribbon-cutting ceremony to unveil the new signages and commemorate the event. The building's brand identity shows Braddell House nestled in a Red Dot, underlining our Singapore origins as we work on projects abroad.

FEATURED PROJECT

Bellfield Estate offers quality terraced and standalone homes on the edge of Opaheke Park in Papakura, Auckland. A half hour car ride from Auckland CBD, we're building a strong, warm and diverse community surrounded by lush landscaping and modern architecture. The development will provide a welcoming environment for people from all walks of life.

When completed, the carefully considered neighbourhood will have over 500 homes across 22 hectares of landscaped, pedestrian-friendly streets, which are thoughtfully designed to minimise the impact of cars through rear access lanes, internal garages, parking bays and grass berms. Developed in partnership with Gateway Homes, on offer are a mix of 3 and 4 bedroom standalone homes and 2 and 3 bedroom townhouses. Their contemporary architectural design utilises trusted materials such as brick, weatherboard, aluminium joinery and metal roofing; and meet the strict Building Code moisture, thermal and acoustic ratings, as well as the latest energy-efficient lighting, heating and appliances. A five stage development, the first stage was soft launched in 2019 with 64 out of 99 sections sold. The first stage is expected to be completed by end 2020.

WE ARE ON A JOURNEY

OUR PEOPLE

As our company evolves, we recognise that our corporate culture has to evolve as well. The Group launched new HR initiatives this year to keep current and remain an attractive workplace. Leveraging workplace flexibility for engagement and productivity is one such area that is mutually beneficial for both employees and employers. Aside from increased flexibility in health and well-being benefits, we have initiated an Employee Volunteer Programme. We believe that encouraging a giving culture nurtures empathy at work and creates trust, engagement, as well as strengthens relationships.

COMMUNITY IN FOCUS

This year, we are pleased to welcome onboard South Central Community Family Service Centre (SCC) as our charity partner. SCC provides support to low-income and vulnerable families, a mission close to the Group's heart with homes and communities at the core of our business. The Group also provides volunteers, services and corporate donations where relevant. For more information about organisations and initiatives that we support, please refer to our 2019 Sustainability Report.

ENVIRONMENT

The Group continues on our mission to minimise waste with the introduction of a new recycling programme at our headquarters. Training has helped us better understand the global issues we are facing around sustainability.

The Group has continued efforts to cut out single-use plastics at both internal and external events, with the FY2019 Annual General Meeting marking the Group's first single-use plastic-free shareholders meeting. While carbon offsetting of air travel continues, we have also introduced a new e-waste collection programme. For more information about our initiatives, please visit our 2019 Sustainability Report.

KEY FIGURES

S$**9.3**M
REVENUE*

S$**2.4**M
EBITDA*

S$**0.9**M
PROFIT AFTER TAX#

1.33%
Return on Equity#

PROPERTY PORTFOLIO SIZE
S$**174.0M**

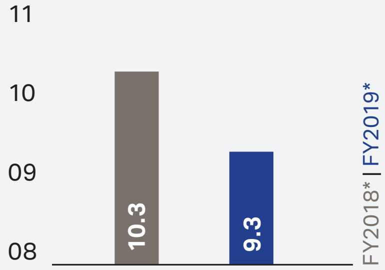
S$**75.9**M Group's Net Assets

S$**37.1**M **MARKET CAP**

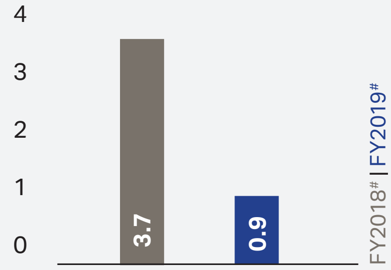
* Exclude results of discontinued operations.
\# Inclusive of results of continuing and discontinued operations.
Note: Market capitalisation is based on the closing share price on 28 June 2019. Shares in issues (excluding treasury shares) are 275 million as at 30 June 2019.

FINANCIAL REVIEW

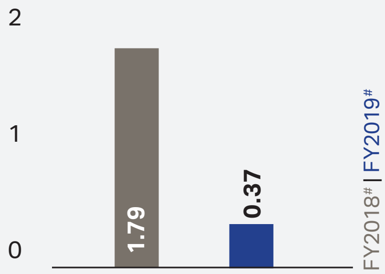
Revenue (S$ million)



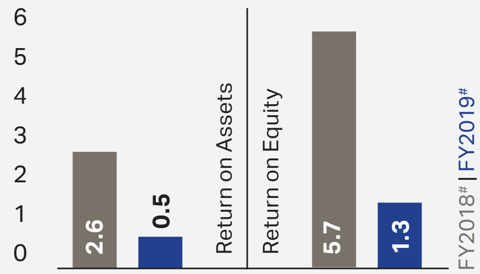
Profit after Tax (S$ million)



Earnings per Share (Cents)



Return on Equity/ Return on Assets (%)



* Excluded results of discontinued operations

Inclusive of results of continuing and discontinued operations.

The Group's revenue from continuing operations for FY2019 was S$9.3 million, a decrease of S$1.1 million or 10.6% compared to S$10.3 million for FY2018 due mainly to lower rental income and a weaker New Zealand dollar exchange rate.

Other income of S$3.0 million for FY2019 mainly relates to rental income generated from Braddell House.

In FY2018, other gains of S$4.7 million was mainly due to fair value gains of S$4.5 million on investment properties.

Other losses of S$1.9 million for FY2019 mainly relates to fair value losses of S$1.2 million on investment properties, foreign exchange losses of S$0.4 million and impairment loss on other receivables of S$0.3 million.

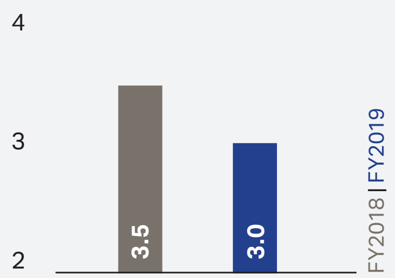
Total expenses of S$12.7 million for FY2019 were S$1.0 million or 8.2% higher than the corresponding period last year. Professional fees increased by S$0.6 million or 51.9% in FY2019. Staff costs increased by S$0.3 million or 17.5% in FY2019. Marketing, advertising and promotion expenses decreased by S$0.4 million or 49.3% in FY2019 as marketing and promotion activities for Stage 1 of Remarkables Residences ended in Q2FY2019. Finance expenses increased by S$0.7 million or 22.3% in FY2019 with additional borrowings for new properties acquired.

Income tax credit of S$1.0 million arose mainly from a reversal of deferred tax liabilities for the New Zealand subsidiary.

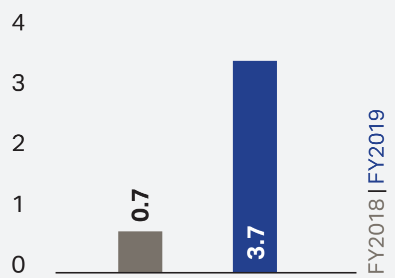
Profit from discontinued operations for FY2019 was S$2.2 million mainly contributed by the food and beverage segment operated by the GFRG group, which includes a gain on disposal amounting to S$0.8 million from the disposal of the GFRG group. The profit from discontinued operations for FY2018 amounting to S$84,000 was contributed by the operations of the search segment and food and beverage segment.

As a result, the Group posted a total profit of S$0.9 million in FY2019, as compared to a profit of S$3.7 million in FY2018.

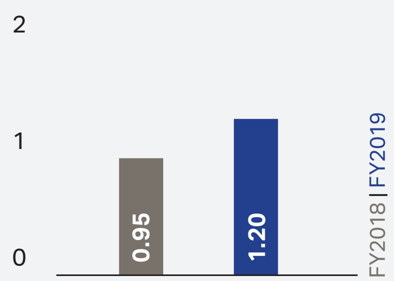
Cash and Cash Equivalents (S$ million)



Current Ratio (Times)



Debt/Equity Ratio (Times)



The Group's cash and cash equivalents was S$3.0 million as at 30 June 2019 compared to S$3.5 million as at 30 June 2018 mainly due to payments for development costs and acquisition of development land, partly offset by proceeds from bank borrowings during the year.

Development properties increased by S$53.6 million mainly due to the land acquisition in Bellfield, and development costs incurred for the Group's residential developments in New Zealand during the year.

Other current assets decreased by S$15.6 million compared to 30 June 2018 mainly due to a reclassification from other current assets of S$15.2 million to development properties following the transfer of the land titles for Bellfield to the Group on 4 July 2018.

Other receivables increased by S$6.7 million following the sale of the GFRG Group.

Intangible assets of S$11.9 million has been disposed with the sale of the GFRG group.

Total borrowings increased by S$18.6 million as at 30 June 2019 mainly due to new development loans and working capital borrowings. The Group's foreign subsidiaries borrowings were refinanced during the year and reclassified from current borrowings as at 30 June 2018 to non-current borrowings as at 30 June 2019.

Total trade and other payables increased by S$13.3 million mainly due to the deferred payments from the acquisition of development properties.

Contract liabilities increased by S$1.6 million mainly due to the receipt of deposit from sale of residential lots.

As a result of the above, the Group's net assets closed at S$75.9 million as at 30 June 2019 compared to S$76.1 million as at 30 June 2018.

From left to right: Loo Wen Lieh, Ng Tiong Gee, Chua Joan Keat, Andrew Tay, Christopher Minty, Stanley Tan, Aaron Abercrombie, Mah Bow Tan, Jaki Dwight, Kathlyn Tan, Pang Yoke Min

BOARD OF DIRECTORS & MANAGEMENT TEAM

MAH BOW TAN

Non-Executive Chairman & Non-Independent Director
Member, Remuneration Committee

Mr Mah Bow Tan has served in the Government, holding various portfolios until his retirement from politics in May 2011. His involvement and experience spans the private and public sectors. In the private sector, he has been with Singapore Bus Services (SBS), Singapore News and Publications Ltd and Singapore Press Holdings Ltd.

Mr Mah has served the Labour Movement in various capacities. He worked closely with the National Transport Workers Union as General Manager in the former SBS, and was Chairman of NTUC Comfort Cooperative Limited; Chairman of the Productivity Board; Chairman of the Singapore Institute of Labour Studies (now the Ong Teng Cheong Labour Leadership Institute); and Chairman of the Singapore Labour Foundation (2002 to 2011).

His accolades include the Medal of Honour conferred by the National Trades Union Congress (NTUC), and the Alumni Award for Achievement presented by the University of New South Wales for his outstanding contribution to public service in Singapore. He has also been conferred an Honorary Doctor of Science degree by the University of New South Wales.

Mr Mah was awarded the President's and Colombo Plan Scholarships to study at the University of New South Wales, Australia, graduating with First Class Honours in Industrial Engineering in 1971 and a Master of Engineering degree in Operations Research in 1973. He was appointed as Chairman of GYPP on 30 September 2011 and re-elected on 26 October 2018. He is a member of the Remuneration Committee.

STANLEY TAN

Chief Executive Officer
Non-Independent Executive Director

Stanley Tan was appointed Chief Executive Officer of the Group in September 2011. Stanley has more than three decades of real estate investment experience in Singapore, New Zealand and Australia; comprising townships, commercial, retail, hotel, industrial and residential developments. Some of these investments in New Zealand include Centre Place (Hamilton); BP House (Wellington); Nestle manufacturing complex, State Insurance Building, Vulcan Building and CML Building (Auckland); as well as the development of both Citylife and Heritage Hotels. Past investments in Singapore include properties around Amoy Street, Ann Siang Street, Beach Road and Neil Road. Stanley remains a Director of private investment companies, The Angliss Property Group and Rumah Group, both of which have focuses in property investment.

Stanley was conferred an Honorary Officer to the New Zealand Order of Merit in 2002 and received the Singapore National Day Award in 2011. He was also recognised by the New Zealand High Commission in 2015 for his contribution to Singapore and New Zealand's 50 year partnership, as well as New Zealand and ASEAN's 40 year partnership.

Stanley was appointed to the Board of GYPP on 6 February 2007 and re-elected on 26 October 2017. He was appointed Chairman on 25 July 2008, as well as Executive Chairman and Acting Chief Executive Officer on 11 February 2009. He stepped down as Chairman and was confirmed as Chief Executive Officer and Executive Director on 30 September 2011.

ANDREW TAY

Non-Executive & Lead Independent Director
Chairman, Audit Committee
Chairman, Nominations Committee
Member, Remuneration Committee

Andrew Tay has spent more than 20 years of his career in Corporate and Institutional Banking covering South East Asia with Bank of America, Standard Chartered Bank and Commerzbank AG.

Andrew was previously the Regional Head of Institutional Banking for South East Asia and India, covering bank and non-bank financial institutions for Standard Chartered Bank. From 2001 to 2003, he was the Executive Director of ABR Holdings Limited which is listed on the Singapore Exchange.

Andrew graduated with a Bachelor of Business Administration from the University of Singapore in 1978. He was appointed Director of GYPP on 12 December 2007 and re-elected on 28 October 2016. He is Chairman of both the Audit and Nominations Committees and member of the Remuneration Committee.

NG TIONG GEE

Non-Executive & Independent Director
Chairman, Remuneration Committee
Member, Nominations Committee
Member, Audit Committee

Ng Tiong Gee is Chairman of Yellow Pages Pte Ltd, Director of Ren Ci Hospital and President of Tech Talent Assembly, an NTUC-affiliated association.

He was previously the Senior Vice President for Technology of Resorts World Sentosa, as well as Chief Information Officer and Chief Human Resource Officer of United Test and Assembly Center Ltd. Prior to that, Tiong Gee was STATS ChipPAC Senior Vice President of Human Resources before becoming its Chief Information Officer. Between 1988 and 1992, he held various key engineering positions at Digital Equipment Singapore, now part of Hewlett-Packard, and has previously worked at Siemens Microelectronics Asia Pacific Pte Ltd (now known as Infineon Technologies Asia Pacific) and Gateway Incorporated.

Tiong Gee is an independent director of Y Ventures Group Ltd, and Chairman of its Nominations Committee and a member of its Remuneration and Audit Committees. He is currently also the lead independent director of Pacific Radiance Ltd and is Chairman of its Nominations Committee and a member of its Remuneration Committee. Tiong Gee graduated with a Bachelor of Mechanical Engineering with Honours from the National University of Singapore and holds a Master of Business Administration from Nanyang Technological University of Singapore. He has also attended the Advanced Management Program at Harvard Business School.

Tiong Gee was appointed Director of GYPP on 6 August 2007 and re-elected on 26 October 2017. He is Chairman of the Remuneration Committee and a member of the Nominations and Audit Committees.

PANG YOKE MIN

Non-Executive & Non-Independent Director
Member, Nominations Committee
Member, Audit Committee

Pang Yoke Min has more than 30 years of experience in the offshore oil and gas industry. He is the Executive Chairman of Pacific Radiance Ltd, an offshore marine company involved in shipbuilding, ship-owning and chartering for the marine, oil and gas industries. He is also Chairman of YM Investco Pte Ltd, a family investment holding company.

Previously, Yoke Min was Group Managing Director of Jaya Holdings Ltd, which he co-founded, from 1981 to 2006. He has been the President Commissioner of PT Logindo Samudramakmur Tbk since 2011, as well as a Non-Executive and Non-Independent Director at Pacific Healthcare Holdings Ltd.

Yoke Min was appointed Director of GYPP on 6 February 2007 and re-elected on 26 October 2018. He is a member of the Audit and Nominations Committees.

LOO WEN LIEH

Non-Executive & Non-Independent Director

Loo Wen Lieh is the Group Financial Controller of Tee Yih Jia Group, a leading frozen foods manufacturer in Singapore with investments in various industries, including property, technology and F&B. Wen Lieh is also an alternate director of JB Foods Limited which is listed on the Singapore Exchange.

From December 2002 to May 2007, Wen Lieh was the Chief Financial Officer and Corporate Secretary of AGVA Corporation Limited and Hengxin Technology Limited where he was responsible for their Initial Public Offering, financial, tax and other related matters. He was a manager with KPMG from July 1996 to November 2002 and left KPMG for one year from March 2000 to February 2001 to be the co-founder for a technology start-up.

Wen Lieh graduated with a Bachelor of Accountancy from Nanyang Technological University in 1996 and is a Fellow Chartered Accountant of Singapore, an ACA of the Institute of Chartered Accountants in England and Wales, and an ASEAN Chartered Professional Accountant. He was appointed Director of GYPP on 1 July 2018 and re-elected on 26 October 2018.

CHUA JOAN KEAT

Chief Financial Officer

Chua Joan Keat was appointed Chief Financial Officer of the Group in January 2014 and has over 20 years of financial management, investment, regulatory reporting and technical accounting experience in Big 4 accounting firms and global multinational companies.

He was previously Financial Controller of AXA Life Insurance Singapore and Head of Treasury & Investment Services at Aviva Singapore.

Joan Keat graduated with a Bachelor of Accountancy Degree (First Class Honours) from Nanyang Technological University in 1996 and is a Chartered Accountant with the Institute of Singapore Chartered Accountants, a Chartered Accountant with the Chartered Accountants Australia and New Zealand, and a Chartered Financial Analyst.

CHRISTOPHER MINTY

Project Director

Chris Minty has over 25 years of experience in New Zealand property development, property management and consultancy for a variety of stakeholders including trusts, listed property entities, financial institutions, corporates, private clients and receivers.

His portfolio comprises significant commercial and residential developments including the Heritage Hotels (Auckland, Christchurch and Queenstown), The Parc (Auckland), Foundry (Albany), Neuhaus (Stonefields) and Saba on Fanshaw (Auckland).

Besides his own company, Pacific Advisory and Management, Chris previously worked with IronGate Property, St John Balanced Property Fund, Symphony Group and Chase Corporation. Chris graduated with a Bachelor of Business Studies from Massy University in 1979, where he received the Top Student Award from Fletcher Construction Limited.

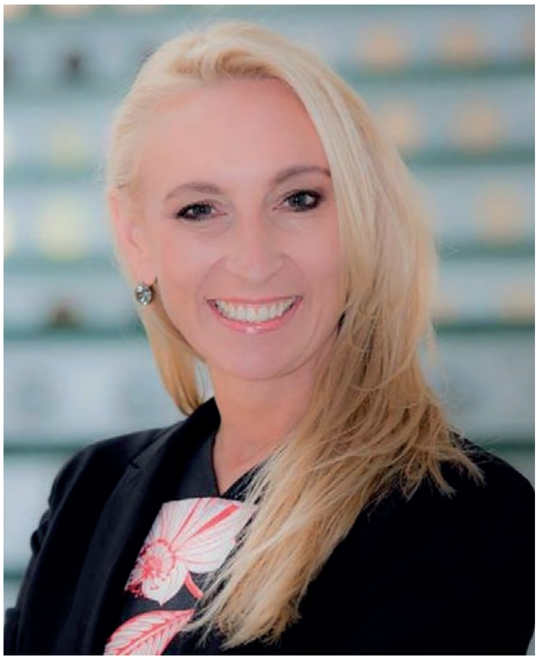
KATHLYN TAN

Corporate Marketing Director

Kathlyn Tan joined the company in June 2011 as Executive Assistant to the Chairman and has since worked in various functions across the Group. She was appointed Corporate Marketing Director in 2018 and drives the company's community and sustainability initiatives.

Kathlyn graduated from the University of Sydney with a Bachelor of Economics and a Graduate Certificate in Strategic Public Relations, and is an alumna of the Cambridge Institute for Sustainability Leadership.

Kathlyn is a director of private investment company, Rumah Group, that has a strategic stake in GYPP.



JAKI DWIGHT

Property Manager

Jaki Dwight has more than 15 years of experience managing shopping centres and commercial properties in New Zealand and Australia.

Prior to joining the Company, she was with Australian public listed Scentre Group (formerly Westfield Group), where she managed the shopping centres Shore City and Glenfield Mall and played a key role in enhancing both centres' income and capital values.

Jaki later went on to property group Vinta where she helped drive the remix, development and turnaround of Hunters Plaza in Papatoetoe, Auckland.

AARON ABERCROMBIE

Project Manager

Aaron Abercrombie has been in the civil construction industry for 10 years. He comes from a varied background of commercial siteworks, earthworks, roading and subdivisions, and has worked on projects such as Power Stations in the Netherlands and tunnelling boring in Australia.

Before joining the Group, Aaron was a Quantity Surveyor for Hiway Stabilizers, New Zealand's largest road construction and geotechnical contractors; and General Manager of Troydon Contractors, a civil contracting company in Auckland.

CORPORATE DIRECTORY

DIRECTORS

MAH BOW TAN
Non-Executive Chairman & Non-Independent Director

STANLEY TAN
Chief Executive Officer & Non-Independent Executive Director

NG TIONG GEE
Non-Executive & Independent Director

PANG YOKE MIN
Non-Executive & Non-Independent Director

ANDREW TAY
Non-Executive & Lead Independent Director

LOO WEN LIEH
Non-Executive & Non-Independent Director

COMPANY SECRETARIES

Lee Wei Hsiung
Joanna Lim Lan Sim

COMPANY REGISTRATION NUMBER

200304719G

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Singapore 319637
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Fax : (65) 6354 3828
Email : ir@gypproperties.com
Web : www.gypproperties.com

SHARE REGISTRAR AND TRANSFER AGENT

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place,
#32-01 Singapore Land Tower,
Singapore 048623

AUDITORS

PricewaterhouseCoopers LLP
7 Straits View, Marina One,
East Tower, Level 12,
Singapore 018936
Audit Partner: Chua Lay See
Year of Appointment of Audit Partner: FY2015

AUDIT COMMITTEE

Andrew Tay Gim Chuan (Chairman)
Ng Tiong Gee
Pang Yoke Min

NOMINATIONS COMMITTEE

Andrew Tay Gim Chuan (Chairman)
Ng Tiong Gee
Pang Yoke Min

REMUNERATION COMMITTEE

Ng Tiong Gee (Chairman)
Mah Bow Tan
Andrew Tay Gim Chuan

PRINCIPAL BANKERS

Bank of China (New Zealand) Limited
Level 17, Tower 1, 205 Queen Street,
Auckland CBD, 1010
New Zealand

Maybank Singapore Limited
J. Sultan Business Centre,
200 Jalan Sultan, #01-02,
Textile Centre, Singapore 199018

United Overseas Bank Limited
1 Raffles Place,
#23-61 One Raffles Place Tower 2,
Singapore 048616

CORPORATE GOVERNANCE STATEMENT

The Company recognises the importance of good corporate governance and the offering of high standards of accountability to shareholders.

This statement sets out the Company's corporate governance framework and practices in compliance with the principles and guidelines of the Code of Corporate Governance 2012 (the "Code"). Where there have been deviations from the Code, appropriate explanations are provided. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time, to ensure compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Board matters

Principle 1: The Board's Conduct of its Affairs

The Board is entrusted with the overall management of the business affairs of the Group.

The primary function of the Board is to protect and enhance long-term value and return for its shareholders. Besides carrying out its statutory responsibilities, the key roles of the Board are to:

(a) set the overall strategy and policies of the Group's business direction, and ensures that sufficient resources are in place to meet its objectives;

(b) establish a framework of prudent and effective controls that enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;

(c) set the Group's values and standards, compliance and accountability systems, and ensure that obligations to the Company's shareholders are understood and met;

(d) identify the key shareholder groups and recognise that their perceptions affect the Group's reputation;

(e) review the Group's financial performance and key operational initiatives and endorse the recommended framework of remuneration for the Board and key executives and assume responsibility for corporate governance; and

(f) consider sustainability issues relating to the environment and social factors as part of the strategic formulation of the Group.

The Board meets at least four times a year. In addition to scheduled Board meetings, ad hoc meetings are convened as and when circumstances require. To facilitate the Board's decision-making process, the Company's Articles of Association provides for directors to participate in Board meetings by telephone conference and similar communications equipment, and for Board resolutions to be passed in writing, including by electronic means. During the financial year ended 30 June 2019, the Board held 4 Board meetings excluding ad hoc meetings.

In the discharge of its functions, the Board is supported by 3 Board committees that provide independent oversight of management and serve to ensure that there are appropriate checks and balances. These key committees comprise the Audit Committee, the Nominations Committee, and the Remuneration Committee (collectively, the "Board Committees"). These Board Committees function within written terms of reference, which are reviewed on a regular basis. Each Board Committee reports to the Board with their recommendations, however, ultimate responsibility for final decision on key matters lies with the Board. The effectiveness of each Board Committee is regularly reviewed by the Board.

As at 30 June 2019, the Audit Committee, the Nominations Committee and the Remuneration Committee are chaired by an Independent Director and comprised entirely of non-executive directors. For the Executive Committee, other than Stanley Tan, who is the Chief Executive Officer, the rest of the directors are non-executive. Further details on their composition and activities are provided below.

The Executive Committee was established with effect from September 2007 and as at 30 June 2019, its members are Stanley Tan and Andrew Tay. The duties and responsibilities of the Executive Committee are to provide guidance to management on the strategic development of the Group and to oversee the businesses and investments of the Group and matters relating thereto. The Board has decided to dissolve the Executive Committee with effect from 5 September 2019 as the Board has put in place a clear business strategy to focus on property business following the Group's divestment of other businesses during FY2019. The Board is of the view that the roles and responsibilities of the Executive Committee can be undertaken directly by the Chief Executive Officer.

The number of Board and Board committee meetings held during the financial year ended 30 June 2019, and the attendance of members at such meetings, is set out on page 52 of the Annual Report.

The Board has put in place financial authorisation and approval limits for operating and capital budgets, procurement of goods and services, and cheque signatory arrangements. Approval sub-limits are also provided at management level to facilitate operational efficiency. Within these guidelines, the Board approves transactions above certain financial thresholds. The Board approves the Group's quarterly and full-year financial results for release to the SGX-ST and transactions of a material nature requiring announcement under the listing rules of the SGX-ST. Directors and senior executives are briefed on the Group's operations and are routinely updated on developments and changes in the operating environment. All directors objectively make decisions at all times as fiduciaries in the interest of the Company.

A formal letter setting out the director's duties and responsibilities under the various regulations is issued to new directors upon their appointment. The Company also conducts an in-house orientation programme, incorporating briefings from various business and corporate units for new Board members to familiarise them with the Group's business activities and strategies. The company secretaries will also bring to the directors' attention to the Company's governance practices, including policies on disclosure of interest in securities, prohibitions on dealing in the Company's securities and restrictions on disclosure of price-sensitive information. All newly appointed directors are given briefings by the management on the history, business operations and corporate governance practices of the Group. Newly appointed directors also attend courses, seminars and trainings which may have a bearing on their duties and contributions to the Board, organised by the professional bodies and regulatory institutions to keep themselves updated on the latest developments concerning the Group.

To keep pace with regulatory changes, the director's own initiatives are supplemented from time to time with information, updates and sponsored seminars conducted by external professionals, including any changes in legislation and financial reporting standards, government policies, and regulations and guidelines from SGX-ST that affect the Company and/or the directors in discharging their duties. The directors are informed of developments relevant to the Group, including changes in laws, regulations and risks that may impact the Group. Directors can apply to the Company for funding for any such courses, conferences and seminars which they may apply to attend.

Directors are at liberty to request further explanations, briefings or informal discussions on any aspect of the Group's operations or business issues from management.

Principle 2: Board Composition and Guidance

The directors of the Company as at the date of this Annual Report are:

Mah Bow Tan
Non-Executive Chairman & Non-Independent Director
Stanley Tan Poh Leng
Chief Executive Officer & Non-Independent Executive Director
Ng Tiong Gee
Non-Executive & Independent Director
Pang Yoke Min
Non-Executive & Non-Independent Director
Andrew Tay Gim Chuan
Non-Executive & Lead Independent Director
Loo Wen Lieh
Non-Executive & Non-Independent Director

CORPORATE GOVERNANCE STATEMENT continued

The Board has adopted the definition in the Code of what constitutes an independent director in its review of the independence of each director.

The Board noted a recommendation under the new Code of Corporate Governance 2018 (effective 1 January 2019) that independent directors form the majority of a board of directors if the Chairman is not independent. In view that the Chairman of the Company is not independent, the Board is reviewing its composition to ensure that it is in line with the recommendation. Andrew Tay has been appointed as the Lead Independent Director of the Company with effect from 5 September 2019, in accordance with good corporate governance practice.

Ng Tiong Gee and Andrew Tay are considered to be independent for the purposes of the Code. Both Ng Tiong Gee and Andrew Tay have served on the Board for more than nine (9) years from the date of their first appointment on 6 August 2007 and 12 December 2007 respectively. The Board has subjected their independence to a particularly rigorous review.

Taking into account the views of the Nominations Committee, the Board concurs that Ng Tiong Gee and Andrew Tay continue to demonstrate strong independence in character and judgment in the discharge of their responsibilities as directors of the Company. They have continued to express their individual viewpoints, debated issues and objectively scrutinised and challenged management. After taking into account these factors, the Board has determined that Ng Tiong Gee and Andrew Tay continue to be considered Independent Directors, notwithstanding the duration they have served on the Board.

The Board size and composition are reviewed from time-to-time by the Nominations Committee, with a view of ensuring that the Board is of an appropriate size that is conducive for effective decision-making, has an appropriate balance of independent directors, comprise directors with the right skills and expertise to meet the industry and business needs of the Company, taking into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Board's decision-making process is not dominated by any individual or small group of individuals.

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.

The Board noted that gender diversity on the Board of Directors is also one of the recommendations under the Code to provide an appropriate balance and diversity. Although there is currently no female director appointed to the Board, the Board is open to the possibility of appointing a female director if a suitable candidate is nominated for the Board's consideration.

The Board comprises persons who, as a group, provide the necessary core competencies, and includes experienced professionals with management, information technology, financial, banking, government, property and hotel backgrounds. This enables management to benefit from their external and objective perspective of issues that are brought before the Board.

Where necessary or appropriate, the non-executive directors on the Board will meet without the presence of the management. The non-executive directors also help to develop proposals on strategy, actively participate in discussions and decision-making at Board and Board Committee levels, as well as in open and candid discussions with management. The non-executive directors review the performance of management in meeting agreed goals and objectives.

To ensure that non-executive directors are well suggested by accurate, complete and timely information, non-executive directors have unrestricted access to management.

Information on the Board of Directors and Management Team is provided under the section "Board of Directors & Management Team" in the Annual Report.

Principle 3: Chairman and Chief Executive Officer

The roles of the Chairman and the CEO of the Company are kept separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The Chairman, Mah Bow Tan, is a non-executive and non-independent director and is responsible for leading the Board. He sets the agenda for Board meetings, ensures that adequate time is available for discussion for all agenda items, in particular, strategic issues, and that complete, adequate and timely information is made available to the Board. He encourages constructive relations within the Board and between the Board and management, facilitates the effective contribution of non-executive directors, and ensures effective communication with shareholders. He takes a lead role in promoting high standards of corporate governance, with the full support of the directors, the company secretary and management.

The CEO, Stanley Tan, bears executive responsibility for the Group's business direction and operational decisions of the Group.

The Chairman is a non-executive and non-independent director and is not related to the CEO. The Group's independent directors confer amongst themselves when necessary, without the presence of the other directors, and the independent directors will provide feedback to the Chairman after such meetings as appropriate. In addition, independent directors also meet regularly and on ad hoc basis with the CEO and senior management team as well as other non-executive directors to discuss challenges facing the Group.

Principle 4: Board Membership

The Nominations Committee makes recommendations to the Board on all Board appointments. With effect from 28 December 2018, Andrew Tay was appointed as the Chairman of the Nominations Committee in place of Mah Bow Tan and its other members are Pang Yoke Min and Ng Tiong Gee. Andrew Tay and Ng Tiong Gee are non-executive and independent directors and Pang Yoke Min is a non-executive and non-independent director. The Nominations Committee is guided by its Board-approved written terms of reference, and serves to ensure a formal and transparent process for the nomination of directors to the Board.

The Nominations Committee may identify candidates for appointment as new directors through the business network of Board members or engage external independent professional advisors to assist in the search for suitable candidates. The Nominations Committee will generally identify suitable candidates skilled in core competencies such as strategic planning, accounting or finance, business or management expertise, industry knowledge and customer-based experience.

If the Nominations Committee decides that the candidate is suitable, the Nominations Committee then recommends its choice to the Board of Directors. Meetings with such candidates may be arranged to facilitate open discussion. Upon appointment, arrangements will be made for the new director to attend various briefings with the management team.

The Nominations Committee is charged with determining annually whether or not a director is independent, bearing in mind the circumstances set forth in the Code and any other salient factors. The Nominations Committee is also charged with the responsibility of re-nomination having regard to the director's contribution and performance (e.g., attendance, preparedness, participation and candour). The Nominations Committee determines if directors who hold multiple board representations give sufficient time and attention to the affairs of the Group.

At present, the Board does not intend to set a maximum number of listed company board representations a director

CORPORATE GOVERNANCE STATEMENT continued

may hold as it is of the view that the effectiveness of a director should be evaluated by a qualitative assessment of his contributions to the Company's affairs taking into account his other commitments including his directorships in other listed companies. The Nominations Committee considers that the multiple board representations held presently by some directors do not impede their respective performance in carrying out their duties to the Company.

Currently, the Company does not have any alternate directors.

At each Annual General Meeting of the Company, not less than one-third of the directors for the time being (being those who have been longest in office since their last appointment or re-election), and a director who, if he did not retire at that Annual General Meeting, would at the next Annual General Meeting have held office for more than three years, are required to retire from office by rotation. A retiring director is eligible for re-election by shareholders at the Annual General Meeting. In addition, all newly-appointed directors will hold office only until the next Annual General Meeting and will be eligible for re-election.

Principle 5: Board Performance

The Nominations Committee acknowledges the importance of a formal assessment of Board performance and gives careful consideration to the establishment of objective performance criteria by which the Board's performance may be evaluated. A formal assessment process is in place to assess the effectiveness of the Board's performance and individual director's contribution annually. The evaluation of the individual director's contribution is conducted by a questionnaire to be completed by each individual director. The Nominations Committee assesses the Board's performance by completing a Board Assessment Checklist, which takes into consideration factors such as the Board composition, information to the Board, Board procedures, Board Accountability, CEO/Top Management and standards of conduct. The findings are then collated and analysed, and thereafter presented to the Nominations Committee, which will, in consultation with the Chairman, take appropriate actions to address the findings of the performance assessment.

To date, the Nominations Committee does not require the assistance of an external facilitator in relation to the assessment process. The Nominations Committee has considered and assessed the performance and contributions of all of the Board members, taking into account their attendance, and participation at Board meetings and their time and efforts devoted to the business and affairs of the Company and the Group. The Chairman may, in consultation with the Nominations Committee and the Board, act on the results of the performance evaluation and, where appropriate, propose new members for appointment to the Board and/or seek the resignation of relevant directors.

Principle 6: Access to Information

Directors have separate and independent access to the management and the company secretaries. The Board is provided with relevant information and comprehensive analysis by the management pertaining to matters to be brought before the Board for discussion and decision. Management also provides regular reports on the Group's financial performance and operations to the Board. Board papers are sent to all directors in advance of the Board meetings. Senior managers who have prepared the papers, or who can provide additional insight on the matters to be discussed, are normally invited to present the paper or attend the Board meetings. The company secretaries attend Board meetings and are responsible for, amongst other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The appointment and the removal of the company secretaries is deliberated on by the Board as a whole.

Where necessary, the Company will, upon the request of directors (whether as a group or individually), provide them with independent professional advice, at the Company's expense, to enable them to discharge their duties.

Remuneration matters

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure of Remuneration

Remuneration Committee

As at 30 June 2019, the Remuneration Committee was chaired by Ng Tiong Gee and its other members were Mah Bow Tan and Andrew Tay. Ng Tiong Gee and Andrew Tay are non-executive and independent directors. Mah Bow Tan is a non-executive and non-independent director. The Remuneration Committee has access to expert professional advice on executive compensation matters whenever there is a need to consult externally. The Remuneration Committee is guided by its Board-approved written terms of reference.

The Remuneration Committee recommends to the Board a framework of remuneration for the Board and key executives, including termination clauses, and determines the specific remuneration package for the Chief Executive Officer. The Remuneration Committee's recommendations are submitted for endorsement by the entire Board. No director is involved in deciding his own remuneration. The Remuneration Committee covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind.

Remuneration Policy

The Company adopts an overall remuneration policy for staff, comprising a fixed component in the form of a base salary. The variable component is in the form of a bonus that is linked to the Company's and the individual's performance.

In determining the remuneration for the Chief Executive Officer and key executives, the Remuneration Committee takes into account the following principles:

(1) the remuneration should motivate the executives to achieve the Company's performance targets;

(2) the performance-related elements of remuneration should form a significant part of their total remuneration package;

(3) the interests of the executives should be aligned with shareholders; and

(4) the remuneration should be directly linked to the performance of the Group and individual performance.

The executive director and key management personnels are moderately compensated, the Remuneration Committee is of the view that there is no requirement to have any long-term incentive scheme or schemes involving the offer of shares or grants of options or other forms of deferred remuneration at this time. As such, there is no mechanism to reclaim incentives for such schemes.

The non-executive directors' fees are set in accordance with a remuneration framework comprising basic retainer fees for each non-executive director, additional fees for the appointments to the various committees established by the Board and attendance fees for attendance at Board and Board committee meetings. Factors such as effort and time spent, and responsibilities of the directors, are taken into account. Directors' fees are subject to the approval of shareholders at the Annual General Meeting. The Group currently does not have any scheme to encourage non-executive directors to hold shares in the Group.

The Code recommends full disclosure of the remuneration of the Company's directors and top key executives in the Group. The Board has considered this matter carefully and has decided against disclosure in dollar terms. Given the highly competitive and niche industry that the Group operates in, it is felt that the disadvantages will outweigh the benefits.

CORPORATE GOVERNANCE STATEMENT continued

The breakdown of the remuneration of directors and key executives (who are not also directors) who are still in office as at 30 June 2019 is as follows:

Remuneration Band And Name of Director	**Fixed Component[1]** %	**Variable Component[2]** %	**Benefits** %	**Fees[3]** %	**Total Compensation** %
S$500,000 to below S$750,000					
Stanley Tan Poh Leng	80.7%	12.7%	–	6.6%	100.0%
Below S$250,000					
Mah Bow Tan	0.0%	–	–	100.0%	100.0%
Andrew Tay Gim Chuan	0.0%	–	–	100.0%	100.0%
Ng Tiong Gee	0.0%	–	–	100.0%	100.0%
Pang Yoke Min	0.0%	–	–	100.0%	100.0%
Loo Wen Lieh [4]	0.0%	–	–	100.0%	100.0%
Remuneration Band and Name of Key Executive					
S$250,000 to below S$500,000					
Chua Joan Keat	92.3%	7.7%	–	–	100.0%
Below S$250,000					
Kathlyn Tan Jiling	93.7%	6.3%	–	–	100.0%
Jaki Dwight	100.0%	–	–	–	100.0%

[1] Fixed Component refers to base salary earned, annual wages supplement and transport allowance, if applicable, for the financial year ended 30 June 2019.
[2] Variable Component refers to variable bonus paid or accrued relating to performance during the financial year ended 30 June 2019.
[3] Fees include director's fees and professional fees for consultancy services provided.
[4] Mr Loo Wen Lieh was appointed as a Director on 1 July 2018.

As disclosed above, the annual remuneration of Kathlyn Tan Jiling, who is the daughter of Stanley Tan, CEO and Executive Director, was within S$200,000 to S$250,000 band.

The total remuneration paid to the top three key executives (who are not directors) for the financial year ended 30 June 2019 was approximately S$703,000.

The Company does not have any employee share/stock options scheme or any other long-term incentive scheme during the financial year ended 30 June 2019. The Company has been considering long-term incentive schemes for directors and key management personnel taking into account various factors but has yet to find a suitable model. The Company will continue to look into the matter.

Accountability and audit

Principle 10: Accountability

Principle 11: Risk Management and Internal Controls

Principle 12: Audit Committee

Accountability

The Board has overall responsibility to shareholders for ensuring that the Group is well managed and guided by its strategic objectives. In presenting the Group's quarterly and annual financial statements to shareholders, the Board aims to provide a balanced and understandable assessment of the Group's performance, position and prospects.

In line with the rules of the SGX-ST Listing Manual, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements. The Company had pursuant to Listing Rule 720(1), received undertakings from all its Directors and executive officers in the form set out at Appendix 7.7 of the Listing Manual, *inter alia*, that they each shall, in the exercise of their powers and duties as directors and officers (as the case may be) comply to the best of their abilities with the provisions of the Exchange's listing rules, the Securities and Futures Act, the Code on Takeovers & Mergers, and the Companies Act and will also procure the Company to do so.

Management provides all members of the Board with accounts and reports on the Group's financial performance and position on a quarterly basis. Although management does not provide reports on a monthly basis, all directors nevertheless have unrestricted access to the Group's records and information through requests for further explanations, briefings and informal discussions on the Group's operations or business issues from management.

Risk Management and Internal Controls

The directors recognise that they have overall responsibility to ensure proper financial reporting for the Group and effectiveness of the Group's system of internal controls, including financial, operational, compliance and IT controls, and risk management policies and systems. The Audit Committee assists the Board in providing oversight of risk management in the Company. It is responsible for reviewing the adequacy and effectiveness of the Group's risk management systems and internal controls, including financial, operational, compliance and IT controls and reporting to the Board annually its observations on any matters under its purview including risk management, internal controls or financial and management matters as it considers necessary and makes recommendations to the Board as it thinks fit.

The Company has in place an Enterprise Risk Management Framework. The implementation and maintenance of the Company's risk management framework is undertaken by the senior management team, which reports to the Audit Committee on strategic business risks as well as providing updates on the risk management activities of the Company's businesses and the Enterprise Risk Management implementation progress in the Company. Significant strategic risks identified are assessed, managed and monitored adequately within the Company's risk management framework. These strategic risks are also reviewed and refreshed to ensure relevant emerging risks are being considered and included for proper assessment,

CORPORATE GOVERNANCE STATEMENT continued

monitoring and reporting as appropriate.

The Group continually reviews and improves its business and operational activities to identify areas of significant business risk as well as take appropriate measures to control and mitigate these risks. These include the implementation of safety, security and internal control measures and taking up appropriate insurance coverage. The Group's financial risk management programme seeks to minimise potential adverse effects of the unpredictability of financial markets on the Group's financial performance. The financial risk management policies are outlined in Note 38 of the Notes to the Financial Statements.

Key internal controls of the Group include:

- Establishment of policies and approval limits for key financial and operational matters, and rules relating to the delegation of authorities;
- Documentation of key processes and procedures;
- Segregation of incompatible functions which give rise to a risk of errors or irregularities not being promptly detected;
- Safeguarding of assets;
- Maintenance of proper accounting records;
- Ensuring reliability of financial information;
- Ensuring compliance with appropriate legislation and regulations; and
- Having qualified and experienced persons take charge of important functions.

The Audit Committee ensures that a review of the effectiveness of the Company's internal controls is conducted at least annually. The Audit Committee has met with the internal auditors without management during the year.

The Board is not aware of any material inadequacy in the overall internal controls and processes currently in place.

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer:

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

2) the effectiveness of the Company's risk management and internal control systems.

Based on the work performed by the Internal Auditors during the current financial year, as well as the statutory audit by the external auditors, and the assurance from management, the Board, with the concurrence of the Audit Committee, is of the opinion that the system of internal controls and risk management in place as at 30 June 2019 is adequate and effective to address the financial, operational, compliance and information technology risks within the current scope of the Group's business operations. The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

Audit Committee

As at 30 June 2019, the Audit Committee members comprises Andrew Tay Gim Chuan (Chairman), Ng Tiong Gee and Pang Yoke Min. Andrew Tay and Ng Tiong Gee are independent and non-executive directors and Pang Yoke Min is a non-independent and non-executive director. At least two members of the Audit Committee have accounting or financial management expertise and related financial experience. The Audit Committee's scope of authority is formalised in its approved terms of reference, which include the statutory functions of an audit committee as prescribed under the Companies Act, Chapter 50, the Code and Chapter 9 of the Listing Manual of the SGX-ST.

The Audit Committee has authority to perform the functions and to investigate any matter specified within its terms of reference, and has full access to and cooperation of management, and full discretion to invite any executive director or executive officer to attend its meetings. Reasonable resources have been made available to the Audit Committee to enable it to discharge its duties.

The activities of the Audit Committee include the following:

- To review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and the Group and any formal announcements relating to the Company's and the Group's financial performance;
- To review the balance sheet of the Company and consolidated financial statements of the Group for the quarterly and full-year results prior to their submission to the Board;
- To make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- To review with external auditors their (i) annual audit plan, findings, and recommendations to management as well as management's response and (ii) audit report;
- To review the assistance given by management to the external auditors;
- The Audit Committee and the external auditors review areas of identified risks and where critical accounting estimates, assumptions and judgements are made, which include the valuation of investment properties, valuation of financial assets at fair value through other comprehensive income and going concern of the Group and Company;
- To review interested person transactions and conflict of interest situations that may arise within the Group;
- To review the adequacy of the Group's internal financial controls, operational and compliance controls, and risk management policies and systems (collectively referred to as "internal controls"); and
- To review the adequacy and effectiveness of the Group's internal auditors, including the adequacy of internal audit resources and their evaluation of the overall risk profile and internal controls systems as well as the scope and results of the internal audit procedures.

In the event the Audit Committee becomes aware of a suspected fraud or irregularity which has or is likely to have a material impact on the financial results of the Group, it will commission an investigation into the matter and review and report the findings of the investigation to the Board of Directors.

The details of the aggregate amount of fees paid to external auditors and the breakdown of fees payable in respect of audit and non-audit services can be found under Additional Information on part (b) on page 156.

The Audit Committee has undertaken a review of all non-audit services provided by the external auditors during the current financial period and reviewed the independence and objectivity of the external auditors, and after having been satisfied with its standard of audit, independence and objectivity recommends to the Board the re-appointment of PricewaterhouseCoopers LLP as auditors for the financial year ending 30 June 2020. The independence of the external auditors is reviewed annually. The Audit Committee has met with the external auditors without management during the year.

In appointing the audit firm for the Company, the Company has complied with Rules 712, 715 and 716 of the Listing Manual of the SGX-ST.

The Audit Committee keeps abreast of changes to accounting standards and issues which have a direct impact on financial statements through the reports presented by the external auditors on the scope and results of the external audit, and through their discussions with the external auditors.

Management has put in place, and the Audit Committee has endorsed, arrangements by which employees of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

The objective for such arrangements is to ensure independent investigation of such matters and for appropriate follow-up action, and to encourage the reporting of such matters, in good faith, with the confidence that employees making such reports will be treated fairly and to

CORPORATE GOVERNANCE STATEMENT continued

the extent possible, protected from reprisal.

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the Audit Committee.

1. The Audit Committee has discussed significant financial reporting matters with management and the external auditors which have been included as key audit matters ("KAM") in the independent auditors' report for the financial year ended 30 June 2019, as set up in pages 59 to 60 of this Annual Report.

2.

Key Audit Matter	How the Audit Committee Reviewed the Matter and What Decision Was Made
Group's ability to settle all its debts as and when fall due within 12 months from the balance sheet date	The Audit Committee reviewed the going concern assessment performed by the Management in view that the Group and the Company are in a net current liability position as after excluding development properties of the Group as at 30 June 2019 to assess whether the going concern basis of accounting is appropriate for the preparation of the financial statements. The Audit Committee reviewed all the relevant financial and non-financial factors set out by the Management, taking into consideration the cash flow projections and financing plans presented by the Management. Accordingly, the Audit Committee is satisfied that there are adequate fundings in place as at 30 June 2019 to enable the Group and the Company to continue as a going concern. The external auditors have included this as a key audit matter in the auditor's report for the financial year ended 30 June 2019. This is on page 59 of the annual report.
Valuation of investment properties	The Audit Committee considered the valuation approach and methodologies applied by the external valuer, Bayleys Valuations Limited. The Audit Committee also discussed the above with the external auditors and considered the work performed by the external auditor on their assessment of the appropriateness of the valuation methodologies and the reasonableness of the underlying assumptions adopted by the external valuer. The external auditors have included the valuation of investment properties as a key audit matter in the auditor's report for the financial year ended 30 June 2019. This is on page 60 of the annual report.

Principle 13: Internal Audit

The Board recognises the need and is responsible for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's business and assets. The effectiveness of the internal financial control systems and procedures is monitored by the Audit Committee. The internal auditors have unrestricted access to all the company's documents, records, properties and personnel, including access to the Audit Committee.

The Company has established its internal audit function and outsourced it to a reputable international accounting firm, Ernst & Young Advisory Pte Ltd, who is rated as generally conforming to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors, and staffed with professionals with relevant qualifications and experience. The internal audit function reports to the Chairman of the Audit Committee and is assisted by management in its detailed work. The Audit Committee ensures, at least annually, the adequacy of the internal audit function and reviews and approves the internal audit plan.

Communication with shareholders

Principle 14: Communication with Shareholders

Principle 15: Encouraging Greater Shareholder Participation

The Company communicates information to shareholders and the investing community through announcements that are released to the SGX-ST via SGXNET. Such announcements include the quarterly and full-year results, material transactions, and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the SGX-ST.

All shareholders of the Company are sent a copy of the Annual Report and notice of the Annual General Meeting. The notice of Annual General Meeting, which sets out all items of business to be transacted at the Annual General Meeting, is also advertised in the newspapers. Where there is inadvertent disclosure made to a select group, the Company will make the same disclosure publicly to all others as promptly as possible on the Company's website. The Company also maintains a website at www.gypproperties.com where the public can access information on the Group.

The Group believes in encouraging shareholders' participation at general meetings. Shareholders are informed of the rules that govern general meeting of shareholders. A shareholder who is entitled to attend and vote may either vote in person or in absentia through the appointment of one or more proxies (who can either be named individuals nominated by the shareholder to attend the meeting or the Chairman of the meeting as the shareholder may select). The Company's Articles of Association allow a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. The Company's Articles of Association have not yet been amended to allow for other absentia voting methods such as by mail, electronic mail, fax and/or other methods. Such amendments may be proposed if the necessary security and other measures that can protect against errors, fraud and other irregularities that could arise from such absentia voting methods become available on a cost-effective basis, and the Board views that this is of sufficient interest to the Company's shareholders.

The Board noted that with the Companies (Amendment) Act 2014, with effect from 3 January 2016, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act. At the forthcoming Annual General Meeting, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting.

Resolutions to be passed at Annual General Meetings are always separate and distinct in terms of issue so that shareholders are better able to exercise their right to approve or deny the issue or motion. A balanced assessment of the relevant issues is provided or explained to shareholders, if necessary, to enable them to make informed judgements about the resolutions.

The Company's main forum for dialogue with shareholders takes place at its Annual General Meeting, where the members of the Board, senior management and the external auditors are in attendance. At the Annual General Meeting, shareholders will be given the opportunity to air their views and ask questions regarding the Group.

At each Annual General Meeting, the Board presents the progress and performance of the Group and encourages shareholders to participate in the question and answer session. The external auditors are present to address shareholders' queries on the conduct of audit and the preparation and content of the auditors' report.

The Chairman of each of the Audit, Nominations and Remuneration Committees, or members of the respective Committees standing in for them, are present at each Annual General Meeting, and other general meetings held

CORPORATE GOVERNANCE STATEMENT continued

by the Company, if any, to address shareholders' queries. Senior management is also present at general meetings to respond, if necessary, to operational questions from shareholders that may be raised.

Minutes of general meetings which includes substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and management, were prepared and made available to shareholders upon request.

The Company does not have a fixed dividend policy at present. The form, frequency and amount of dividends to be declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Board would consider a dividend policy at an appropriate time.

The Company will put all resolutions to vote by poll at general meetings and the detailed results of the number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET.

Dealings in securities

The Company has adopted the principles and best practices on dealings in securities as contained in the Listing Manual of the SGX-ST. Directors and staff are to refrain from dealing in the securities of the Company during the periods commencing two weeks before and up to the date of announcement of the Group's quarterly results and one month before and up to the date of announcement of the Group's full-year results, or while in possession of unpublished price-sensitive information. They are also discouraged from dealing in the Company's securities on short term considerations.

Directors and staff are reminded to observe the insider trading laws at all times even when dealing with securities within permitted trading periods.

Board and Committee Meetings held during the financial year ended 30 June 2019

Members	Board		Audit Committee		Remuneration Committee		Nominations Committee	
	Held	Attendance	Held	Attendance	Held	Attendance	Held	Attendance
Mah Bow Tan[1]	4	4	NA	NA	1	1	1	1
Stanley Tan Poh Leng	4	4	NA	NA	NA	NA	NA	NA
Ng Tiong Gee	4	3	4	3	1	1	1	1
Pang Yoke Min [2]	4	3	4	3	1	1	1	1
Andrew Tay Gim Chuan [3]	4	4	4	4	-	-	-	-
Loo Wen Lieh [4]	4	4	NA	NA	NA	NA	NA	NA

The Executive Committee has met periodically during the financial year ended 30 June 2019.

(1) Mr Mah Bow Tan has relinquished his role as the Chairman of the Nominations Committee on 31 December 2018.

(2) Mr Pang Yoke Min has relinquished his role as a member of the Remuneration Committe on 31 December 2018.

(3) Mr Andrew Tay Gim Chuan was appointed as the Chairman of the Nominations Committee and as a member of the Remuneration Committee on 31 December 2018.

(4) Mr Loo Wen Lieh was appointed as a Director on 1 July 2018.

INVESTOR RELATIONS

Our goal is to provide timely, accurate and clear information to our shareholders and the investing public. This is in line with our belief of achieving and demonstrating high standards in corporate governance and transparency.

We use various platforms for dissemination of information to the investing public. Amongst other things, our investor relations policy provides that:

- All important and relevant information are published immediately via the Singapore Exchange Securities Trading Limited ("SGX-ST") website, www.sgx.com;
- All investors and stakeholders have opportunity to gain insight into the matters communicated by the Group in a clear and explicit manner;
- Meetings are arranged between management and shareholders or analysts but such meetings will not release information not otherwise published or publicly available; and
- Quarterly reports are published in a timely manner.

We invite the media and the investing community as necessary and provide updates on our financial and operational performance and our future plans.

In addition, we hold an Annual General Meeting and Extraordinary General Meetings as necessary, to provide all shareholders with opportunities for direct interaction with our management and Board of Directors.

Our annual report serves to provide shareholders with a deeper understanding of our business strategies and financial and operational performance. To ensure our shareholders have timely and ready access to our annual report, we also post it on our website.

We are committed and will continue to engage in active communication, with our shareholders to ensure that we act consistently in their best interests.

SGX-ST Listing

GYP Properties Limited has been listed on the SGX-ST since 9 December 2004. More information can be found on the SGX-ST website www.sgx.com.

Shareholders and analysts enquiries

We value your feedback and enquiries. Please contact us at:

GYP Properties Limited
1 Lorong 2 Toa Payoh,
Braddell House,
Singapore 319637

Tel: (65) 6351 1000
Fax: (65) 6354 3828
Email: ir@gypproperties.com
Web: www.gypproperties.com

Financial Calendar FY2019

2018

26 October 2018 – 15th Annual General Meeting & Extraordinary General Meeting
8 November 2018 – FY2019 Q1 Results Release

2019

13 February 2019 – FY2019 Q2 Results Release
15 May 2019 – FY2019 Q3 Results Release
28 August 2019 – FY2019 Full Year Results Release

FINANCIALS

DIRECTORS' STATEMENT

For the financial year ended 30 June 2019

The directors of the Company present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2019 and the balance sheet of the Company as at 30 June 2019.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 64 to 155 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2019 and of the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

Directors

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

Mah Bow Tan
Stanley Tan Poh Leng
Ng Tiong Gee
Pang Yoke Min
Andrew Tay Gim Chuan
Loo Wen Lieh

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the 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.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 30.6.2019	At 1.7.2018	At 30.6.2019	At 1.7.2018
Company (No. of ordinary shares)				
Stanley Tan Poh Leng	**9,732,900**	9,732,900	**-**	-
Pang Yoke Min	**29,353,740**	29,353,740	**-**	-
Ng Tiong Gee	**5,250**	5,250	**-**	-
Mah Bow Tan*	**24,000,000**	24,000,000	**600,000**	600,000
Company (No. of warrants)				
Stanley Tan Poh Leng	**-**	7,600,529	**-**	-
Pang Yoke Min	**-**	3,873,304	**-**	-

* By virtue of Section 164 of the Companies Act, Mr Mah Bow Tan is deemed interested in the 600,000 (2018: 600,000) shares owned by his spouse, Dr Sheryn Mah.

(b) The directors' interests in the ordinary shares of the Company as at 21 July 2019 were the same as those as at 30 June 2019. The warrants of the Company have expired on 25 June 2019.

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Andrew Tay Gim Chuan (*Chairman*)
Pang Yoke Min
Ng Tiong Gee

All members of the Audit Committee are non-executive directors and the majority are independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2019 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Andrew Tay Gim Chuan
Director

Stanley Tan Poh Leng
Director

25 September 2019

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of GYP Properties Limited (formerly known as Global Yellow Pages Limited)

Report on the Audit of the Financial Statements

Opinion

In our opinion, the accompanying consolidated financial statements of GYP Properties Limited (formerly known as Global Yellow Pages Limited) (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 30 June 2019;
- the consolidated balance sheet of the Group as at 30 June 2019;
- the balance sheet of the Company as at 30 June 2019;
- the consolidated statement of changes in equity of the Group for the financial year ended 30 June 2019;
- the consolidated statement of cash flows of the Group for the financial year ended 30 June 2019; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 30 June 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Group's ability to settle all its debts as and when fall due within 12 months from the balance sheet date	
As at 30 June 2019, the Group is in a net current asset position of $62,372,000. However, significant current assets are development properties balance of $78,390,000. The Company's current liabilities exceed its current assets by $15,682,000 as at 30 June 2019. Considering the following factors, management believes that the Group and the Company have the ability to settle all its debts as and when fall due within the next 12 months from the balance sheet date: • Based on a 12-months cash flow projection (the "Cash Flow Projection"), the Group and the Company will have sufficient cash flow to meet its operating requirements; and • The Group and the Company have secured additional financing from banks which will be available for drawdown for development and working capital purposes subsequent to financial year end (the "Financing Plan"). We focused on this area as the Group's and the Company's ability to settle all its debts as and when they fall due within 12 months from the balance sheet date is dependent on the reliability and accuracy of the Cash Flow Projection and Financing Plan. Significant judgements and key assumptions were use in the assessment of the Cash Flow Projection and Financing Plan (Note 2.3). The disclosures relating to these borrowings are included in Note 2.3 and Note 31 of the financial statements.	The following audit procedures were performed to address the Cash Flow Projection and Financing Plan: **The Cash Flow Projection** The following audit procedures were performed to assess the reliability and accuracy of the Cash Flow Projection: • Verified the mathematical accuracy of the calculations used in the Cash Flow Projection; and • Assessed the reasonableness of management's key assumptions (Note 2.3) regarding projected cash inflows and outflows. **The Financing Plan** Our audit procedures focused on the assessment of the financing plans of the Group and the Company and included the following: • Obtained the signed credit facility agreement with a bank dated 2 September 2019 for loans (Note 2.3) for the development of Bellfield Estate; • Obtained the signed letter of offer with a bank dated 2 April 2019 and the signed facility letter with another bank dated 22 May 2019 for loans (Note 2.3) for the purpose of refinancing the Group's existing term loans and working capital requirements; • Understood and evaluated the key terms and conditions of the new facilities in relation to the Group's and the Company's financing plans; • Understood the debt covenants applicable to the terms and assessed the Group's and the Company's compliance with the debt covenants based on current available information; and • Assessed the appropriateness of the disclosures relating to the financing plans of the Group and the Company. We have obtained satisfactory evidence from management to support the financing plans of the Group and the Company. In addition, we considered the key assumptions made by management (Note 2.3) in developing the Cash Flow Projection to be reasonable. Accordingly, no material uncertainty exists at the balance sheet date. The disclosures in the financial statements are also assessed to be appropriate.

INDEPENDENT AUDITOR'S REPORT continued

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties	
As at 30 June 2019, the carrying value of the Group's investment properties is $88,663,000, accounting for 47% of the Group's total assets. The disclosures relating to these investment properties are included in Note 26 of the financial statements. The valuation of the investment properties is significant to our audit due to the use of assumptions to arrive at the estimates. Significant judgement is required to determine the assumptions used to determine the fair value of these investment properties. The key assumptions are the adopted value per square metre, capitalisation rates, discount rates and terminal capitalisation rate and are dependent on the prevailing market conditions.	Our audit procedures focused on the valuation process and included the following: • Assessed the competency and independence of the professional valuers engaged by the Group; • Checked, on a sample basis, the accuracy of underlying lease and financial information provided by management to the valuers; • Assessed the reasonableness of the adopted value per square metre, capitalisation rates, discount rates and terminal capitalisation rate assumptions by benchmarking the rates against comparables and prior year's inputs; and • Assessed the appropriateness of the disclosures relating to the valuation techniques and key inputs applied by the professional valuers. We have obtained satisfactory explanations from management as well as the professional valuers regarding the basis, methods and key assumptions used to determine the fair values of the investment properties. Our testing indicated that the assumptions and judgements used were reasonable in the context of the Group's portfolio of investment properties. The disclosures in the financial statements are also assessed to be appropriate.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate,

INDEPENDENT AUDITOR'S REPORT continued

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Chua Lay See.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 25 September 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Continuing operations			
Revenue	4	**9,252**	10,345
Other income	5	**3,044**	2,905
Other gains	6(a)	**101**	4,734
Other losses			
- Impairment of financial assets	6(b)	**(358)**	(295)
- Others	6(b)	**(1,587)**	(1,472)
Staff costs	7	**(2,203)**	(1,875)
Depreciation		**(897)**	(783)
Marketing, advertising and promotion expenses		**(446)**	(880)
Professional fees		**(1,636)**	(1,077)
Property related and maintenance expenses		**(2,896)**	(3,053)
Finance expenses	9	**(3,778)**	(3,090)
Other expenses	8	**(841)**	(982)
Total expenses		**(12,697)**	(11,740)
Share of results of an associated company	23	**(24)**	(74)
(Loss)/profit before income tax		**(2,269)**	4,403
Income tax credit/(expense)	10(a)	**995**	(810)
(Loss)/profit from continuing operations		**(1,274)**	3,593
Discontinued operations			
Profit from discontinued operations, net of tax	11(c)	**1,384**	84
Gain on disposal of subsidiaries	11(c)	**823**	-
Profit from discontinued operations		**2,207**	84
Total profit		**933**	3,677

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

	Note	**2019 $'000**	2018 $'000
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Losses	34(b)(ii)	**(710)**	(3,519)
- Reclassification	34(b)(ii)	**(5)**	-
Available-for-sale financial assets			
- Fair value losses	34(b)(iii)	**-**	(250)
- Reclassification	34(b)(iii)	**-**	250
		(715)	(3,519)
Items that will not be reclassified subsequently to profit or loss:			
Financial assets, at fair value through other comprehensive income ("FVOCI")			
- Fair value losses - equity investments	34(b)(iii)	**(502)**	-
Other comprehensive loss, net of tax		**(1,217)**	(3,519)
Total comprehensive (loss)/income		**(284)**	158
Profit/(loss) attributable to:			
- Equity holders of the Company		**1,011**	3,789
- Non-controlling interests		**(78)**	(112)
		933	3,677
Profit/(loss) attributable to equity holders of the Company:			
- From continuing operations		**(1,196)**	3,705
- From discontinued operations		**2,207**	84
		1,011	3,789
Total comprehensive (loss)/income attributable to:			
- Equity holders of the Company		**(206)**	270
- Non-controlling interests		**(78)**	(112)
		(284)	158
Basic and diluted earnings/(loss) per share for profit/(loss) from continuing and discontinued operations attributable to equity holders of the Company (cents per share)			
- From continuing operations	12	**(0.435)**	1.753
- From discontinued operations	12	**0.803**	0.040
		0.368	1.793

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

BALANCE SHEETS

As at 30 June 2019

		Group			Company		
		30 June		1 July	30 June		1 July
	Note	**2019 $'000**	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
ASSETS							
Current assets							
Cash and cash equivalents	13	**3,026**	3,483	9,558	**362**	995	7,341
Restricted cash	13	**-**	84	277	**-**	-	-
Trade and other receivables	14	**2,121**	1,722	2,050	**1,523**	751	903
Inventories	15	**-**	12	111	**-**	-	85
Other current assets	16	**1,361**	16,999	2,963	**78**	93	119
Due from an associated company	20	**337**	277	-	**337**	277	-
Development properties	27	**78,390**	24,750	21,964	**-**	-	-
Income tax recoverables	10(c)	**48**	43	24	**-**	-	-
		85,283	47,370	36,947	**2,300**	2,116	8,448
Non-current assets							
Other receivables	14	**7,179**	458	958	**7,179**	458	958
Available-for-sale financial assets	17	**-**	502	675	**-**	472	675
Financial assets, at FVOCI	18	**-**	-	-	**-**	-	-
Due from subsidiaries	19(a)	**-**	-	-	**79,674**	80,488	64,151
Other non-current assets	21	**827**	661	526	**-**	30	52
Investments in subsidiaries	22	**-**	-	-	**2,894**	3,243	3,415
Investments in associated companies	23	**-**	141	110	**-**	60	1
Property, plant and equipment	25	**7,511**	8,291	8,937	**7,438**	8,229	8,837
Investment properties	26	**88,663**	91,368	95,064	**-**	-	-
Intangible assets	28	**-**	11,879	12,020	**-**	7	139
Deferred income tax assets	10(d)	**8**	119	125	**-**	-	-
		104,188	113,419	118,415	**97,185**	92,987	78,228
Total assets		**189,471**	160,789	155,362	**99,485**	95,103	86,676

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

		Group			Company		
		30 June		1 July	30 June		1 July
	Note	**2019 $'000**	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
LIABILITIES							
Current liabilities							
Trade and other payables	29	**13,420**	6,180	5,372	**1,139**	1,372	1,628
Provision	30	**-**	1,246	583	**-**	1,246	583
Advance receipts and billings		**278**	645	569	**13**	137	34
Contract liabilities	4(a)	**1,809**	190	910	**68**	190	910
Due to subsidiaries	19(b)	**-**	-	-	**9,957**	9,161	8,589
Borrowings	31(a)	**7,046**	60,048	67,536	**6,805**	1,739	1,682
Current income tax liabilities	10(b)	**358**	883	846	**-**	-	-
		22,911	69,192	75,816	**17,982**	13,845	13,426
Non-current liabilities							
Trade and other payables	29	**6,766**	711	489	**230**	248	249
Borrowings	31(b)	**83,617**	11,977	13,715	**10,174**	11,977	13,715
Deferred income tax liabilities	10(d)	**317**	2,765	2,353	**110**	89	89
		90,700	15,453	16,557	**10,514**	12,314	14,053
Total liabilities		**113,611**	84,645	92,373	**28,496**	26,159	27,479
NET ASSETS		**75,860**	76,144	62,989	**70,989**	68,944	59,197
SHAREHOLDERS' EQUITY							
Share capital	32	**92,702**	92,702	79,705	**92,702**	92,702	79,705
Treasury shares	32	**(960)**	(960)	(960)	**(960)**	(960)	(960)
Other reserves	34	**(12,775)**	(11,201)	(7,608)	**(4,651)**	(3,946)	(3,946)
Accumulated losses	33	**(3,123)**	(4,384)	(8,128)	**(16,102)**	(18,852)	(15,602)
Capital and reserves attributable to equity holders of the Company		**75,844**	76,157	63,009	**70,989**	68,944	59,197
Non-controlling interests	22(c)	**16**	(13)	(20)	**-**	-	-
Total equity		**75,860**	76,144	62,989	**70,989**	68,944	59,197

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2019

	Note	Share capital	Treasury shares	Share option reserve
		$'000	$'000	$'000
2019				
Balance as at 30 June 2018		**92,702**	**(960)**	**57**
Adoption of SFRS (I) 9	2.2	**-**	**-**	**-**
Balance as at 1 July 2018		**92,702**	**(960)**	**57**
Profit/(loss) for the year		-	-	-
Other comprehensive loss for the year		-	-	-
Total comprehensive (loss)/income for the year		**-**	**-**	**-**
Transactions with non-controlling interest	34(b)(v)	-	-	-
Balance as at 30 June 2019		**92,702**	**(960)**	**57**

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

Attributable to equity holders of the Company →								
Currency translation reserve	Fair value reserve	Capital reserve	Transactions with non-controlling interests	Total other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
(3,387)	**-**	**(4,003)**	**(3,868)**	**(11,201)**	**(4,384)**	**76,157**	**(13)**	**76,144**
-	**(250)**	**-**	**-**	**(250)**	**250**	**-**	**-**	**-**
(3,387)	**(250)**	**(4,003)**	**(3,868)**	**(11,451)**	**(4,134)**	**76,157**	**(13)**	**76,144**
-	-	-	-	-	1,011	1,011	(78)	933
(715)	(502)	-	-	(1,217)	-	(1,217)	-	(1,217)
(715)	**(502)**	**-**	**-**	**(1,217)**	**1,011**	**(206)**	**(78)**	**(284)**
-	-	-	(107)	(107)	-	(107)	107	-
(4,102)	**(752)**	**(4,003)**	**(3,975)**	**(12,775)**	**(3,123)**	**75,844**	**16**	**75,860**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY continued

For the financial year ended 30 June 2019

	Note	Share capital	Treasury shares	Share option reserve
		$'000	$'000	$'000
2018				
Balance as at 1 July 2017		**79,705**	**(960)**	**57**
Profit/(loss) for the year		-	-	-
Other comprehensive loss for the year		-	-	-
Total comprehensive income/(loss) for the year		**-**	**-**	**-**
Issue of shares, net of expenses	32	12,997	-	-
Transactions with non-controlling interest	34(b)(v)	-	-	-
Disposal of subsidiaries	34(b)(v)	-	-	-
Balance as at 30 June 2018		**92,702**	**(960)**	**57**

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

Attributable to equity holders of the Company →

Currency translation reserve	Fair value reserve	Capital reserve	Transactions with non-controlling interests	Total other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
132	**-**	**(4,003)**	**(3,794)**	**(7,608)**	**(8,128)**	**63,009**	**(20)**	**62,989**
-	-	-	-	-	3,789	3,789	(112)	3,677
(3,519)	-	-	-	(3,519)	-	(3,519)	-	(3,519)
(3,519)	**-**	**-**	**-**	**(3,519)**	**3,789**	**270**	**(112)**	**158**
-	-	-	-	-	-	12,997	-	12,997
-	-	-	(119)	(119)	-	(119)	119	-
-	-	-	45	45	(45)	-	-	-
(3,387)	**-**	**(4,003)**	**(3,868)**	**(11,201)**	**(4,384)**	**76,157**	**(13)**	**76,144**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Total profit		**933**	3,677
Adjustments for:			
- Income tax (credit)/expense	10(a)	**(954)**	1,160
- Depreciation	25	**902**	888
- Amortisation	28(d)	**11**	79
- Dividend income		**-**	(50)
- Interest income		**(272)**	(35)
- Finance expense	9	**3,778**	3,090
- Fair value losses/(gains) on investment properties	26(a)	**1,191**	(4,542)
- Loss on disposal of plant and equipment		**2**	49
- Impairment of club membership		**30**	22
- Impairment on investment in an associated company		**8**	-
- Intangible asset written off	28(d)	**-**	63
- Gain on disposal of subsidiaries	11(c)	**(823)**	-
- Impairment of available-for-sale financial assets	17(a)	**-**	250
- Net loss on disposal of an associated company	23	**-**	407
- Share of results of an associated company	23	**24**	74
- Currency translation difference		**(199)**	(556)
		4,631	4,576

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

	Note	**2019 $'000**	2018 $'000
Changes in working capital, net of effects from disposal of subsidiaries:			
- Inventories		**3**	99
- Development properties		**(37,806)**	(2,448)
- Trade and other receivables		**178**	551
- Other current assets		**107**	(13,827)
- Contract liabilities		**1,619**	(610)
- Advance receipts and billings		**(367)**	(34)
- Trade and other payables		**14,034**	1,588
Cash used in operations		**(17,601)**	(10,105)
Income tax paid	10(b)&(c)	**(384)**	(550)
Net cash used in operating activities		**(17,985)**	(10,655)
Cash flows from investing activities			
Proceeds from disposal of subsidiaries, net of cash disposed of	13	**810**	-
Proceeds from liquidation of an associated company	23	**109**	-
Purchase of property, plant and equipment	25	**(164)**	(412)
Other assets costs incurred		**(208)**	(204)
Purchase of intangible assets	28(d)	**-**	(2)
Proceeds from disposal of property, plant and equipment		**-**	138
Interest received		**15**	35
Investment in associated companies		**-**	(500)
Dividend received from available-for-sale financial assets		**-**	50
Net cash provided by/(used in) investing activities		**562**	(895)

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

CONSOLIDATED STATEMENT OF CASH FLOWS continued

For the financial year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Cash flows from financing activities			
Proceeds from issuance of shares	32	**-**	13,164
Share issue expense	32	**-**	(167)
Decrease in deposits pledged		**84**	186
Payment for loan establishment fees		**(24)**	(229)
Proceeds from borrowings		**90,268**	-
Repayment of borrowings		**(70,503)**	(3,682)
Interest paid		**(2,730)**	(3,412)
Net cash provided by financing activities		**17,095**	5,860
Net decrease in cash and cash equivalents		**(328)**	(5,690)
Cash and cash equivalents at beginning of the financial year		**3,483**	9,558
Effects of currency translation on cash and cash equivalents		**(129)**	(385)
Cash and cash equivalents at end of the financial year	13	**3,026**	3,483

Reconciliation of liabilities arising from financing activities

				Non-cash changes			
	1 July 2018 $'000	Proceeds from borrowings $'000	Principal and interest payments $'000	Interest expense $'000	Interest capitalised in development properties $'000	Foreign exchange movement $'000	30 June 2019 $'000
Bank borrowings *(Note 31)*	72,025	90,268	(70,503)	-	-	(1,127)	90,663
Interest payables *(Note 29)*	50	-	(2,730)	2,879	631	18	848

				Non-cash changes			
	1 July 2017 $'000	Proceeds from borrowings $'000	Principal and interest payments $'000	Interest expense $'000	Interest capitalised in development properties $'000	Foreign exchange movement $'000	30 June 2018 $'000
Bank borrowings *(Note 31)*	81,251	-	(3,682)	-	-	(5,544)	72,025
Interest payables *(Note 29)*	47	-	(3,412)	3,080	338	(3)	50

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

GYP Properties Limited (formerly known as Global Yellow Pages Limited) (the "Company") is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The address of its registered office is 1, Lorong 2 Toa Payoh, Braddell House, Singapore 319637.

The principal activity of the Company is that of investment holding.

The principal activities of its subsidiaries, associated companies and joint venture are disclosed in Note 41.

On 26 October 2018, the Company's name was changed from Global Yellow Pages Limited to GYP Properties Limited.

The Food and Beverage segment of the Group was discontinued during the financial year (Note 11). Accordingly, the prior period's results were re-presented.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Adoption of SFRS(I)

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 July 2018. These financial statements for the year ended 30 June 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 30 June 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 July 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I).*

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 30 June 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. There were no material adjustments to the Group's financial statements arising from the adoption of SFRS(I) 1.

The Group's opening balance sheet has been prepared as at 1 July 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

(a) Optional exemptions applied

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has applied the following exemptions in preparing this first set of financial statements in accordance with SFRS(I):

(i) Business combinations

SFRS(I) 3 *Business Combinations* has not been applied to business combinations that occurred before the date of transition on 1 July 2017. The same classification as in its previous SFRS financial statements has been adopted.

The Group has not applied SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I) on 1 July 2017. Such fair value adjustments and goodwill continue to be accounted for using the same basis as under SFRS 21.

(ii) Leases

The Group has not reassessed the determination of whether an arrangement contained a lease in accordance with SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*.

(iii) Short-term exemption on adoption of SFRS(I) 9 *Financial Instruments*

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 July 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 30 June 2018. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosure* to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.

(iv) Practical expedients on adoption of SFRS(I) 15 *Revenue from Contracts with Customers*

The Group has elected to apply the transitional provisions under paragraph C5 of SFRS(I) 15 at 1 July 2018 and have used the following practical expedients provided under SFRS(I) 15 as follows:

- for the financial year ended 30 June 2018, the Group did not disclose the amount of transaction price allocated to the remaining performance obligations and explanation of when the Group expects to recognise that amount as revenue.

(b) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I)

As at 1 July 2017	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
ASSETS				
Current assets				
Cash and cash equivalents		9,558	-	9,558
Restricted cash		277	-	277
Trade and other receivables		2,050	-	2,050
Inventories		111	-	111
Other current assets		2,963	-	2,963
Development properties		21,964	-	21,964
Income tax recoverables		24	-	24
		36,947	-	36,947

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.2 Adoption of SFRS(I) continued

(b) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I) continued

As at 1 July 2017	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
ASSETS continued				
Non-current assets				
Other receivables		958	-	958
Available-for-sale financial asset		675	-	675
Other non-current assets		526	-	526
Investments in associated companies		110	-	110
Property, plant and equipment		8,937	-	8,937
Investment properties		95,064	-	95,064
Intangible assets		12,020	-	12,020
Deferred income tax assets		125	-	125
		118,415	-	118,415
Total assets		155,362	-	155,362
LIABILITIES				
Current liabilities				
Trade and other payables		5,372	-	5,372
Provision		583	-	583
Advance receipts and billings	B.1	1,479	(910)	569
Contract liabilities	B.1	-	910	910
Borrowings		67,536	-	67,536
Current income tax liabilities		846	-	846
		75,816	-	75,816

As at 1 July 2017	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
LIABILITIES continued				
Non-current liabilities				
Trade and other payables		489	-	489
Borrowings		13,715	-	13,715
Deferred income tax liabilities		2,353	-	2,353
		16,557	-	16,557
Total liabilities		92,373	-	92,373
NET ASSETS		62,989	-	62,989
SHAREHOLDERS' EQUITY				
Share capital		79,705	-	79,705
Treasury shares		(960)	-	(960)
Other reserves		(7,608)	-	(7,608)
Accumulated losses		(8,128)	-	(8,128)
Capital and reserves attributable to equity holders of the Company		63,009	-	63,009
Non-controlling interests		(20)	-	(20)
Total equity		62,989	-	62,989

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.2 Adoption of SFRS(I) continued

(b) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I) continued

	Note	As at 30 June 2018 reported under SFRS $'000	Effects of applying SFRS(I) 15 $'000	As at 30 June 2018 reported under SFRS(I) $'000	Effects of applying SFRS(I) 9^ $'000	As at 1 July 2018 reported under SFRS(I) $'000
ASSETS						
Current assets						
Cash and cash equivalents		3,483	-	3,483	-	3,483
Restricted cash		84	-	84	-	84
Trade and other receivables		1,722	-	1,722	-	1,722
Inventories		12	-	12	-	12
Other current assets		16,999	-	16,999	-	16,999
Due from an associated company		277	-	277	-	277
Development properties		24,750	-	24,750	-	24,750
Income tax recoverable		43	-	43	-	43
		47,370	-	47,370	-	47,370
Non-current assets						
Other receivables		458	-	458	-	458
Available-for-sale financial asset	C.1	502	-	502	(502)	-
Financial assets, at FVOCI	C.1	-	-	-	502	502
Due from subsidiaries		-	-	-	-	-
Other non-current assets		661	-	661	-	661
Investments in subsidiaries		-	-	-	-	-
Investments in associated companies		141	-	141	-	141
Property, plant and equipment		8,291	-	8,291	-	8,291
Investment properties		91,368	-	91,368	-	91,368
Intangible assets		11,879	-	11,879	-	11,879
Deferred income tax assets		119	-	119	-	119
		113,419	-	113,419	-	113,419
Total assets		160,789	-	160,789	-	160,789

	Note	As at 30 June 2018 reported under SFRS $'000	Effects of applying SFRS(I) 15 $'000	As at 30 June 2018 reported under SFRS(I) $'000	Effects of applying SFRS(I) 9^ $'000	As at 1 July 2018 reported under SFRS(I) $'000
LIABILITIES						
Current liabilities						
Trade and other payables		6,180	-	6,180	-	6,180
Provision		1,246	-	1,246	-	1,246
Advance receipts and billings	B.1	835	(190)	645	-	645
Contract liabilities	B.1	-	190	190	-	190
Borrowings		60,048	-	60,048	-	60,048
Current income tax liabilities		883	-	883	-	883
		69,192	-	69,192	-	69,192
Non-current liabilities						
Trade and other payables		711	-	711	-	711
Borrowings		11,977	-	11,977	-	11,977
Deferred income tax liabilities		2,765	-	2,765	-	2,765
		15,453	-	15,453	-	15,453
Total liabilities		84,645	-	84,645	-	84,645
NET ASSETS		76,144	-	76,144	-	76,144
SHAREHOLDERS' EQUITY						
Share capital		92,702	-	92,702	-	92,702
Treasury shares		(960)	-	(960)	-	(960)
Other reserves	C.1	(11,201)	-	(11,201)	(250)	(11,451)
Accumulated losses	C.1	(4,384)	-	(4,384)	250	(4,134)
Capital and reserves attributable to equity holders of the Company		76,157	-	76,157	-	76,157
Non-controlling interests		(13)	-	(13)	-	(13)
Total equity		76,144	-	76,144	-	76,144

^ The explanation notes on the effect of applying the SFRS(I) 9 is detailed in Note 2.2 C.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.2 Adoption of SFRS(I) continued

(c) Reconciliation of the Group's total comprehensive income reported in accordance with SFRS to SFRS(I)

For the financial year ended 30 June 2018	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Reported under SFRS(I) $'000
Continuing operations				
Revenue		10,345	-	10,345
Other income		2,905	-	2,905
Other gains		4,734	-	4,734
Other losses				
- Impairment of financial assets		(295)	-	(295)
- Others		(1,472)	-	(1,472)
Staff costs		(1,875)	-	(1,875)
Depreciation		(783)	-	(783)
Marketing, advertising and promotion expenses		(880)	-	(880)
Professional and consultancy fees		(1,077)	-	(1,077)
Property related and maintenance expenses		(3,053)	-	(3,053)
Finance expenses		(3,090)	-	(3,090)
Other expenses		(982)	-	(982)
Total expenses		(11,740)	-	(11,740)
Share of results of associated companies		(74)	-	(74)
Profit before income tax		4,403	-	4,403
Income tax expense		(810)	-	(810)
Profit from continuing operations		3,593	-	3,593
Discontinued operations				
Profit from discontinued operations, net of tax		84	-	84
Total profit/(loss)		3,677	-	3,677

For the financial year ended 30 June 2018	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Reported under SFRS(I) $'000
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation				
- Losses		(3,519)	-	(3,519)
Available-for-sale financial asset				
- Fair value losses		(250)	-	(250)
- Reclassification		250	-	250
Other comprehensive loss, net of tax		(3,519)	-	(3,519)
Total comprehensive income		158	-	158

(d) There were no material adjustments to the Group's statement of cash flows arising from the transition from SFRS to SFRS(I).

Explanatory notes to reconciliations:

The effects of transition to SFRS(I) mainly arises from the optional exemptions provided for under SFRS(I) 1 and the adoption of SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers*.

A. Optional exemptions

As disclosed in Note 2.2(a), the Group has applied certain exemptions in preparing this first set of financial statements in accordance with SFRS(I). The exemptions did not result in adjustments to the previously issued SFRS financial statements.

B. Adoption of SFRS(I) 15

In accordance with the requirement of SFRS(I) 1, the Group adopted SFRS(I) 15 retrospectively. As disclosed in Note 2.2(a)(iv), the Group has also elected to apply the transition provisions under paragraph C5 of the SFRS(I) 15 at 1 July 2018.

The adoption of SFRS(I) 15 resulted in adjustments to the previously issued SFRS financial statements as explained below:

B.1 Presentation of contract liabilities

The Group has also changed the presentation of certain amounts in the balance sheet as at 30 June 2018 on adopting SFRS(I) 15:

(i) Contract liabilities of $190,000 (1 July 2017: $910,000) relating to payments received from customers for sale of advertising space (1 July 2017: payments received from customers for sale of advertising space and print publication) in excess of value of goods transferred were previously presented within "advance receipts and billings".

C. Adoption of SFRS(I) 9

As disclosed in Note 2.2(a)(iii), the Group and the Company has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 July 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.2 Adoption of SFRS(I) continued

C. Adoption of SFRS(I) 9 continued

At the same time, the Group and the Company is exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

As a result, the requirement under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of the SFRS(I) 9.

The accounting policies for financial instruments under SFRS(I) 9 is disclosed in Note 2.12.

C.1 Classification and measure of financial assets

For financial assets held by the Group on 1 July 2018, management has assessed the business models that are applicable on that date to these assets so as to classify them into the appropriate categories under SFRS(I) 9. Material reclassification resulting from management's assessment are disclosed below.

	Note	Financial assets AFS $'000	Financial assets FVOCI $'000
Balance as at 30 June 2018 – before adoption of SFRS(I) 9		502	-
Reclassify non-trading equities from available-for-sale ("AFS") to fair value through other comprehensive income ("FVOCI")	(i)	(502)	502
Balance as at 1 July 2018 – after adoption of SFRS(I) 9		-	502

(i) Equity investments reclassified from available-for-sale to FVOCI

The Group has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale, in other comprehensive income. As a result, assets with a fair value of $502,000 were reclassified from "available-for-sale financial assets" to "financial assets, at FVOCI" on 1 July 2018. Impairment losses of $250,000 previously recognised in accumulated losses have been reclassified to fair value reserve on the same date.

(ii) Impairment of financial assets

The Group has the following financial assets subject to the expected credit loss impairment model under SFRS(I) 9:

- trade receivables recognised under SFRS(I) 15 and IAS 17; and
- amounts due from an associated company and other receivables at amortised cost.

The impairment methodology under SFRS and SFRS(I) for each of these classes of financial asset is different. The impairment methodology for each of these classes of financial assets under SFRS(I) 9 is disclosed in Note 2.12 and Note 38(b). There was no material impact on the financial statements from the application of the expected credit loss model on the above financial assets.

(e) Reconciliation of the Company's equity reported in accordance with SFRS to SFRS(I)

The Company's opening balance sheet was prepared as at 1 July 2017, which was the Company's date of transition to SFRS(I). There were no material impact to the Company's balances on adoption of SFRS(I), except for the effects arising from the application of SFRS(I) 9, as follows:

A. Classification and measurement of financial assets

For financial assets held by the Company on 1 July 2018, management has assessed the business models that are applicable on that date to these assets so as to classify them into the appropriate categories under SFRS(I) 9. Material reclassifications resulting from management assessment are as follows:

		Financial assets	
	Note	AFS $'000	FVOCI $'000
Balance as at 30 June 2018 – before adoption of SFRS(I) 9		472	-
Reclassify non-trading equities from AFS to FVOCI	(i)	(472)	472
Balance as at 1 July 2018 – after adoption of SFRS(I) 9		-	472

(i) Equity investments reclassified from AFS to FVOCI

The Company elected to recognise changes in fair value of all its equity investments not held for trading and previously classified as available-for-sale, in other comprehensive income. As a result, assets with fair value of $472,000 were reclassified from "available-for-sale financial assets" to "financial assets, at FVOCI" on 1 July 2018. Impairment losses of $233,000 recognised in accumulated losses have been reclassified to fair value reserve on the same date.

(ii) Impairment of financial assets

The Company has the following types of financial assets subject to the expected credit loss impairment model under SFRS(I) 9:

- trade receivables recognised under SFRS(I) 15; and
- amounts due from subsidiaries and other receivables at amortised cost.

The impairment methodology under SFRS and SFRS(I) for each of these classes of financial asset is different. The impairment methodology for each of these classes of financial assets under SFRS(I) 9 is disclosed in Note 2.12 and Note 38(b). There was no material impact on the financial statements from the application of the expected credit loss model on the above financial assets.

2.3 Going concern

As at 30 June 2019, the Group and the Company are in a net current asset and net current liability position of $62,372,000 (2018: net current liability position of $21,822,000) and $15,682,000 (2018: $11,729,000) respectively and in a net asset position of $75,860,000 (2018: $76,144,000) and $70,989,000 (2018: $68,944,000) respectively.

As at the date of these financial statements, considering the following factors, the directors are of the view that the going concern basis is appropriate for the preparation of financial statements of the Group and the Company for the next 12 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.3 Going concern continued

(i) Based on a 12-months cash flow projection ("Cash Flow Projection"), the Group and the Company will have sufficient cash flow to meet its operating requirements; and

(ii) The Group and the Company have secured additional financing from banks which will be available for drawdown for development and working capital purposes subsequent to the financial year end ("Financing Plan").

The appropriateness of the going concern basis is dependent on the following key assumptions made by management in developing the Cash Flow Projection:

(a) The Group's completion of Stage 1 of the Remarkables Residences development (Note 27) and collection of the sales proceeds within the next 12 months from the balance sheet date;

(b) The Group rolling over the $5,000,000 money market line with the bank upon maturity;

(c) The Group's compliance with debt covenants of all existing loan facilities for the next 12 months from the balance sheet date; and

(d) The reliability and accuracy of management's projected cash inflows and outflows from operations of the Company and its subsidiaries for the next 12 months from the balance sheet date.

As at balance sheet date, the Group has the following financing plans in place:

(a) Land Acquisition Term Loan amounting to NZ$4,875,000 and Revolving Construction Loan amounting to NZ$14,500,000 for the development of Bellfield Estate;

(b) The refinancing of the Group's outstanding term loans amounting to $11,800,000 as at 30 June 2019 and an additional term loan amounting to $1,000,000 for working capital requirements; and

(c) An uncommitted credit line of $500,000 for working capital requirements.

2.4 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts and after eliminating sales within the Group.

The Group assess its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of advertising space

Revenue from the sale of advertising space on the internet directory are recognised rateably over the contracted advertising period.

The amount of unearned income from services to be rendered in future financial periods is disclosed as contract liabilities on the balance sheet.

(b) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(c) Royalty income

Royalty income earned from the granting of certain intellectual property rights, under contract with the licensee, is recognised over the period of the contract, provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

(d) Franchise income

Franchise income earned from the licensing of the Group's brand name, under the franchise agreement with the franchisees, is recognised over the period of the franchise agreement, provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. The Group charges franchisee fee as a percentage of the franchise store's revenue.

(e) Initial franchise fee

The Group collects initial franchise fees when franchise agreements are signed and recognises the initial franchise fees over time when the Group has performed substantially all initial services required by the franchise agreement.

(f) Marketing income

Under the franchise and tenancy agreements, advertising contributions received from franchisees and tenants must be spent on advertising, marketing and related activities. The advertising and promotional costs are expensed in the period incurred and marketing income are recognised in the period the costs are incurred. The revenues and expenses of the advertising funds are included in the consolidated statement of comprehensive income as the Group has control over the fund.

(g) Sale of ice-cream and related goods

Revenue from sale of ice-cream and related goods are recognised at the point in time when the Group has transferred ownership of the goods to the customers and it is probable that the agreed consideration will be received. These criteria are considered to be met when the goods are delivered to and accepted by the buyer.

(h) Interest income

Interest income is recognised using the effective interest method.

(i) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.5 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income/(loss) is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.5 Group accounting continued

(a) Subsidiaries continued

(ii) Acquisitions continued

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest measured at their fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair values of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2.7(a) for the subsequent accounting policy on goodwill.

If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost, and its fair value is recognised in profit or loss.

Please refer to Note 2.8 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint ventures over the Group's share of the fair value of the identifiable net assets of the associated company or joint ventures and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to Note 2.8 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.6 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.6 Property, plant and equipment continued

(b) Depreciation continued

	Useful lives
Leasehold property	30 years
Office equipment and furniture	5 years
Computer equipment	3 - 5 years
Fittings and fixtures	5 years
Motor vehicles	10 years
Renovation	9 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the 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 repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and losses".

2.7 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of joint ventures and associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint venture is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

(b) Intellectual property assets

The fair value of the intellectual property assets acquired through business acquisition is separately identified and capitalised as intangible assets.

Intellectual property assets that have finite useful lives are carried initially at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 5 years.

Intellectual property assets that have indefinite useful lives are not subject to amortisation but tested at least annually for impairment and carried at cost less accumulated impairment losses.

(c) Acquired computer software licences

Where computer software is not an integral part of the related hardware, it is treated as an intangible asset. Computer software that is an integral part of the related hardware is treated as part of the hardware and classified as property, plant and equipment (Note 2.6).

Acquired computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributed costs of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Capitalised computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 to 5 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.8 Investments in subsidiaries, associated companies and joint venture

Investments in subsidiaries, associated companies and joint venture are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Investment properties

Investment properties include buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

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

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.10 Development properties

Development properties refer to properties developed for sales.

Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

Revenue recognition on development properties for sale is recognised when the control of the asset is transferred to the purchasers under the completion of construction method.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.10 Development properties continued

When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately.

The cost of development properties for sale comprises specifically identified costs, including land, construction and related development costs. Interest on borrowings obtained specifically to finance the acquisition of land and construction of the development properties are also capitalised.

2.11 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiaries, associated companies and joint venture
Intangible assets

Property, plant and equipment, investments in subsidiaries, associated companies and joint venture and intangible assets with finite useful lives are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

Intangible assets with indefinite useful lives are not subject to amortisation and are tested for impairment annually and whenever there is indication that the assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at a revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill 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 amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.12 Financial assets

The accounting for financial assets before 1 July 2018 are as follows:

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents" (Note 13), "trade and other receivables" (Note 14), "deposits" (Note 16), "due from subsidiaries" (Note 19) and "due from an associated company" (Note 20) on the balance sheets.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Loans and receivables and available-for-sale financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Dividend income on available-for-sale financial assets are recognised separately in profit or loss. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.12 Financial assets continued

(e) Impairment continued

(i) Loans and receivables continued

original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.12(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified from equity to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss in the subsequent period.

The accounting for financial assets from 1 July 2018 are as follows:

(f) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income (FVOCI).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instrument

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, deposits, amounts due to subsidiaries and amounts due to an associated company.

Subsequent measurement depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group manage these group of financial assets by collecting contractual cash flow and these cash flow represents solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains /(losses)" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(g) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(h) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Borrowings

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.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

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

2.15 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

2.16 Leases

(a) When the Group is the lessee – Operating leases

The Group leases certain office equipment and office space under operating leases from non-related parties.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(b) When the Group is the lessor – Operating leases

The Group leases investment properties and excess office space that it owns under operating leases to non-related parties.

Leases of investment properties and property, plant and equipment where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as an income in profit or loss when earned.

2.17 Inventories

Inventories are carried at the lower of cost, and net realisable value. Cost is determined on the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment properties measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.19 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(c) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when the Group can no longer withdraw the offer of those benefits.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.21 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rate at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate at the balance sheet date.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.24 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.25 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

2.26 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties. This includes those costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

The actual borrowing costs incurred during the period up to the completion of the construction or development of properties less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.27 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are deducted against the related expense.

2.28 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale, and:

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Significant accounting policies continued

2.29 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with their terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

Prior to 1 July 2018, financial guarantees were subsequently measured at the higher of (a) and the expected amounts payable to the banks in the event it is probable that the Company will reimburse the banks.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Valuation of investment properties

Investment properties are stated at fair value based on valuations by independent professional valuers. The fair values are determined using the income capitalisation, discounted cash flow and direct comparison method. In determining fair value, the valuer has used valuation methods which involve certain estimates. Please refer to Note 26(b) for the key inputs used.

(b) Valuation of financial assets at fair value through other comprehensive income

Financial assets, at fair value through other comprehensive income ("FVOCI") are carried at fair value. The fair values are determined using the net asset value of the underlying investment. Please refer to Note 18 for the basis of the fair value.

4. Revenue

	Group	
	2019 **$'000**	2018 $'000
Rental income from investment properties	**9,252**	10,345

(a) Contract liabilities

	Group		
	30 June		1 July
	2019 **$'000**	2018 $'000	2017 $'000
Contract liabilities:			
- Sale of development properties	**1,741**	-	-
- Digital advertising	**68**	190	503
- Publications	**-**	-	407
	1,809	190	910

Contract liabilities primarily relates to advance consideration received from customers for sale of development properties, sale of digital advertising space and print publication. Contract liabilities relating to the sale of development relate to (i) development properties under construction in the Bellfield Estate (Note 27) and no revenue has been recognised yet from the sale of development properties in the current financial year. Contract liabilities for print publication and digital advertising have reduced as the Group has announced on 1 August 2017 to cease its print business effectively from 31 December 2017 and restructure their digital business into a licensing model with an associated company. The Group did not enter into any contracts with customers subsequent to 1 August 2017 and the revenue recognised in relation to the contract liabilities relates to the Group's fulfilment of the contracts entered into with customers prior to restructuring. These advanced consideration received from customers were previously presented as 'advance receipts and billings' on the balance sheets.

(i) Revenue recognised in relation to contract liabilities

In the current and previous financial years, included within the revenue from discontinued operations are revenue from contracts with customers for the sale of digital advertising space and publications.

	Group	
	2019 **$'000**	2018 $'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period		
- Sale of advertising space	**154**	503
- Print publications	**-**	297

(ii) Transaction price allocated to unsatisfied performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the balance sheet date.

	Group	
	2020 $'000	2021 $'000
Sale of development properties	41,535	8,788

As permitted under SFRS(I) 15, management has elected to apply the practical expedient for performance obligations that are expected to be satisfied in one year or less. Management expects that the performance obligation in relation to the sale of advertising space will be satisfied in one year or less. Accordingly, the revenue from sale of advertising space expected to be satisfied in the future period arising from the contract liabilities as at year ended 30 June 2019 has not been disclosed in the financial statements.

Also, as permitted under the transitional provision in SFRS(I) 15, the transaction price allocated to partially or fully unsatisfied performance obligation as of 30 June 2018 and 1 July 2017 is not disclosed.

NOTES TO THE FINANCIAL STATEMENTS continued

5. Other income

	Group	
	2019 $'000	2018 $'000
Rental income	**2,418**	2,504
Royalty income	**151**	237
Interest income		
- Discount of non-current trade payables	**258**	-
- Bank deposits	**15**	33
	273	33
Management fees	**118**	56
Dividend income	**-**	50
Other income	**84**	25
	3,044	2,905

6. Other gains and losses

(a) Other gains

	Group	
	2019 $'000	2018 $'000
Fair value gains on investment properties *[Note 26(a)]*	**-**	4,542
Others	**101**	192
	101	4,734

(b) Other losses

	Group	
	2019 $'000	2018 $'000
Foreign exchange loss	**356**	1,065
Fair value losses on investment properties *[Note 26(a)]*	**1,191**	-
Loss on deemed disposal of associated company *[(Note 23)]*	**-**	407
Impairment of available-for-sale financial assets *[Note 17(a)]*	**-**	250
Impairment of trade receivables	**30**	45
Impairment of other receivables	**328**	-
Impairment of an associated company	**8**	-
Loss on disposal of property, plant and equipment *[Note 25]*	**2**	-
Impairment of club membership	**30**	-
	1,945	1,767

7. Staff costs

	Group	
	2019 $'000	2018 $'000
Salaries and wages	**2,118**	1,755
Employer's contribution to defined contribution plans including Central Provident Fund	**82**	52
Government grants	**(2)**	-
Other benefits	**5**	68
	2,203	1,875

8. Other expenses

	Group	
	2019 $'000	2018 $'000
Write back of impairment of trade receivables	**-**	(1)
Bad debts recovered	**(15)**	-
Insurance expense	**212**	219
Telecommunication expense	**31**	36
Temporary and outsourced services	**18**	45
Travelling expenses	**202**	254
Technical and licensing fees	**76**	96
Other expenses	**317**	333
	841	982

9. Finance expenses

	Group	
	2019 $'000	2018 $'000
Interest expense on bank borrowings	**3,510**	3,418
Less: Borrowing costs capitalised in development properties *[Note 27(c)]*	**(631)**	(338)
	2,879	3,080
Net discounting impact on non-current receivables	**670**	-
Other financing charges	**229**	10
Finance expenses recognised in profit or loss	**3,778**	3,090

NOTES TO THE FINANCIAL STATEMENTS continued

10. Income taxes

(a) Income tax (credit)/expense

	Group	
	2019 $'000	2018 $'000
Income tax (credit)/expense attributable to profit/(loss) is made up of:		
Profit/(loss) for the financial year:		
From continuing operations		
Current income tax		
- Foreign	**362**	426
Deferred income tax *[Note 10(d)]*	**87**	399
	449	825
From discontinued operations		
Current income tax		
- Foreign	**41**	105
Deferred income tax *[Note 10(d)]*	**154**	464
	644	1,394
(Over)/under provision in prior financial years:		
From continuing operations		
Current income tax	**(28)**	(15)
Deferred income tax *[Note 10(d)]*	**(1,416)**	-
From discontinued operations		
Current income tax	**-**	118
Deferred income tax *[Note 10(d)]*	**(154)**	(337)
	(954)	1,160
Tax expense is attributable to:		
- Continuing operations	**(995)**	810
- Discontinued operations *(Note 11)*	**41**	350
	(954)	1,160

The tax on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2019 $'000	2018 $'000
(Loss)/profit before tax from		
- continuing operations	**(2,269)**	4,403
- discontinued operations *(Note 11)*	**2,248**	434
	(21)	4,837
Share of results of an associated company, net of tax	**24**	74
Profit before tax and share of results of an associated company	**3**	4,911
Tax calculated at a tax rate of 17% (2018: 17%)	**1**	835
Effects of:		
- Different tax rates in other countries	**143**	584
- Tax incentives	**(150)**	-
- Expenses not deductible for tax purposes	**855**	282
- Income not subject to tax	**(195)**	(752)
- Utilisation of previously unrecognised tax losses	**(15)**	(3)
- Deferred tax assets not recognised	**5**	448
- Over provision in prior financial years	**(1,598)**	(234)
Tax (credit)/charge	**(954)**	1,160

(b) Movement in current income tax liabilities

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Beginning of financial year	**883**	846	**-**	-
Disposal of subsidiaries *(Note 13)*	**(513)**	-	**-**	-
Income tax paid	**(379)**	(531)	**(3)**	(5)
Tax expense on profit for the current financial year *[Note 10(a)]*	**403**	531	**-**	-
(Over)/under provision in prior financial years *[Note 10(a)]*	**(28)**	103	**3**	5
Currency translation differences	**(8)**	(66)	**-**	-
End of financial year	**358**	883	**-**	-

NOTES TO THE FINANCIAL STATEMENTS continued

10. Income taxes continued

(c) Movement in income tax recoverable

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Beginning of financial year	**(43)**	(24)	**-**	-
Income tax paid	**(5)**	(19)	**-**	-
End of financial year	**(48)**	(43)	**-**	-

(d) Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown on the balance sheet:

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Deferred income tax assets	**(8)**	(119)	(125)	**-**	-	-
Deferred income tax liabilities	**317**	2,765	2,353	**110**	89	89
Net deferred tax liabilities	**309**	2,646	2,228	**110**	89	89

The movements in the deferred income tax account are as follows:

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Beginning of financial year	**2,646**	2,228	1,439	**89**	89	89
Disposal of subsidiaries *(Note 13)*	**(998)**	-	(41)	**-**	-	-
Tax (credited)/charged to profit or loss *[Note 10(a)]*	**(1,329)**	526	789	**21**	-	-
Currency translation differences	**(10)**	(108)	41	**-**	-	-
End of financial year	**309**	2,646	2,228	**110**	89	89

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) are as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Unremitted foreign-sourced income $'000	Total $'000
2019			
Beginning of financial year	**3,111**	**142**	**3,253**
Disposal of subsidiaries *(Note 13)*	**(1,117)**	**-**	**(1,117)**
(Credited)/charged to profit or loss	**(1,874)**	**65**	**(1,809)**
Currency translation differences	**(10)**	**-**	**(10)**
End of financial year	**110**	**207**	**317**
2018			
Beginning of financial year	2,515	61	2,576
Charged to profit or loss	709	81	790
Currency translation differences	(113)	-	(113)
End of financial year	3,111	142	3,253

Deferred income tax assets

	Unutilised tax and capital allowances $'000	Provisions $'000	Total $'000
2019			
Beginning of financial year	**(550)**	**(57)**	**(607)**
Disposal of subsidiaries *(Note 13)*	**81**	**38**	**119**
Charged to profit or loss	**469**	**11**	**480**
End of financial year	**-**	**(8)**	**(8)**
2018			
Beginning of financial year	(291)	(57)	(348)
Credited to profit or loss	(264)	-	(264)
Currency translation differences	5	-	5
End of financial year	(550)	(57)	(607)

NOTES TO THE FINANCIAL STATEMENTS continued

10. Income taxes continued

(d) Deferred income taxes continued

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000
2019	
Beginning of financial year	**108**
Charged to profit or loss	**21**
End of financial year	**129**
2018	
Beginning and end of financial year	108

Deferred income tax assets

	Provisions $'000
2019	
Beginning and end of financial year	**(19)**
2018	
Beginning and end of financial year	(19)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profit is probable.

The Group has unrecognised tax losses of $169,000 (2018: $4,299,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date. The reduction in the unrecognised tax losses in the current year is contributed by the Group's disposal of its shareholdings in a subsidiary group (Note 11).

11. Discontinued operations

(a) On 30 November 2018, the Company disposed of 100% of its shareholdings in a subsidiary group, Global Food Retail Group Pte Ltd ("GFRG") and its subsidiaries ("GFRG Group").

Prior to the disposal, GFRG Group is in the business of food and beverage and operate as a segment on its own ("Food & Beverage segment"). Accordingly, the entire results from Food & Beverage segment is presented separately on the consolidated statement of comprehensive income as "Discontinued operations" in the current and prior year.

(b) On 1 August 2017, the Company announced the cessation of publication of print directories from 1 January 2018 and restructured the digital business into a licensing model with an associated company.

Prior to the restructuring, results from publication of print directories and digital business were disclosed under the Search segment. Accordingly, the entire results from Search segment is presented separately on the consolidated statement of comprehensive income as "Discontinued operations" in the prior year.

(c) The results of the discontinued operations after intercompany eliminations are as follows:

	Group	
	2019 $'000	2018 $'000
Revenue	**3,228**	10,557
Expenses	**(1,803)**	(10,123)
Profit before tax from discontinued operations	**1,425**	434
Income tax expense	**(41)**	(350)
Profit after tax from discontinued operations	**1,384**	84
Gain on disposal of subsidiaries	**823**	-
Total profit from discontinued operations	**2,207**	84

Following the disposal of GFRG group on 30 November 2018, recognised within results of discontinued operations in the current financial year is the gain on disposal of GFRG Group amounting to $823,000.

In the current financial year, $638,000 has been recognised within results of discontinued operations for the receipt of legal claims from the Deed of Settlement reached on 15 August 2018 between the Group and the master franchisee, certain franchisees and the respective guarantors for the New Zealand Wendy's Supa Sundae franchisee business for breach of the master franchise agreement, the establishment of competing business and unlawful use of the Group's intellectual property.

Pursuant to the restructuring announced by the Group on 1 August 2017, recognised within expenses in the previous financial year are termination benefits amounting to $1,072,000 paid to employees made redundant.

In the previous financial year, a provision of $663,000 for the legal claims awarded by the High Court to the defendant (Note 30) for a legal proceeding commenced by the Group in relation to copyright infringement has been included within expenses in the discontinued operations. Details of the legal proceeding has been included in Note 30.

NOTES TO THE FINANCIAL STATEMENTS continued

11. Discontinued operations continued

(d) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	2019 $'000	2018 $'000
Operating cash inflows	**673**	628
Investing cash inflows	**1**	10
Financing cash inflows	**83**	186
Total cash inflows	**757**	824

12. Earnings/(loss) per share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2019	2018
Net profit/(loss) attributable to equity holders of the Company ($'000)		
- From continuing operations	**(1,196)**	3,705
- From discontinued operations	**2,207**	84
	1,011	3,789
Weighted average number of ordinary shares outstanding for calculation of basic earnings/(loss) per share ('000)	**274,921**	211,334
Basic earnings/(loss) per share (cents per share)		
- From continuing operations	**(0.435)**	1.753
- From discontinued operations	**0.803**	0.040
	0.368	1.793

(b) Diluted earnings/(loss) per share

For the purpose of calculating diluted earnings/(loss) per share, profit/(loss) attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares which is warrants.

For warrants, the weighted average number of shares on issue has been adjusted as if all dilutive warrants were exercised. The number of shares that could have been issued upon the exercise of all dilutive warrants less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit/(loss).

On 25 June 2019, 99,340,476 warrants have expired and no warrant was exercised during the financial year. There are no outstanding warrants as at 30 June 2019. As at 30 June 2018, the outstanding warrants are not dilutive.

13. Cash and cash equivalents

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Cash at bank and on hand	**3,026**	3,483	9,558	**362**	995	7,341
Restricted cash – deposits pledged	**-**	84	277	**-**	-	-
	3,026	3,567	9,835	**362**	995	7,341

In the previous financial years, the bank balances above includes cash reserved for marketing specific pursuits, in accordance with Franchise Agreements, amounting to $987,000 (1 July 2017: $256,000).

For the purpose of presenting in the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group		
	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000
Cash and bank balances (as above)	**3,026**	3,567	9,835
Less: Restricted cash – deposits pledged	**-**	(84)	(277)
Cash and cash equivalents per consolidated statement of cash flows	**3,026**	3,483	9,558

NOTES TO THE FINANCIAL STATEMENTS continued

13. Cash and cash equivalents continued

Disposal of subsidiaries

On 30 November 2018, the Company disposed of 100% of its shareholdings in GFRG Group. Details of the consideration received/receivable and the effects of the disposal on the cash flows of the Group were:

	2019 $'000
(i) Consideration received/receivable:	
Cash received	190
Consideration receivable *(Note A)*	4,500
	4,690

Note A: Included within consideration receivable of $4,500,000, $2,500,00 was to be repaid by 31 December 2018 and $2,000,000 is repayable on 31 January 2020. As at 30 June 2019, $3,290,000 has been received and the remaining receivable of $1,210,000 is unsecured, interest-free and repayable by 31 January 2020.

	2019 $'000
(ii) Carrying amounts of assets and liabilities disposed of:	
Cash and cash equivalents	2,670
Trade and other receivables	432
Inventories	8
Other current assets	145
Plant and equipment *(Note 25)*	41
Intangible assets *[Note 28(b)&(d)]*	11,868
Deferred tax asset *[Note 10(d)]*	119
Total assets	15,283
Trade and other payables	(9,781)
Current income tax liabilities *[Note 10(b)]*	(513)
Deferred tax liabilities *[Note 10(d)]*	(1,117)
Total liabilities	(11,411)
Net assets derecognised	3,872
Reclassification of currency translation reserve *[Note34(b)(ii)]*	(5)
Net assets disposed of	3,867

The aggregate cash inflows arising from the disposal of GFRG Group were:

	2019 $'000
Net assets derecognised of (as above)	**3,872**
- Reclassification of currency translation reserve *[Note 34(b)(ii)]*	**(5)**
	3,867
Gain on disposal of subsidiaries *[Note 11(a)]*	**823**
Consideration transferred from disposal	**4,690**
Less: Consideration receivable *[Note 13(i)]*	**(4,500)**
Cash proceeds from disposal	**190**
Add: Cash proceeds received during the year from consideration receivables *[Note 13(i)]*	**3,290**
Less: Cash and cash equivalents in subsidiaries disposed of	**(2,670)**
Net cash inflow on disposal	**810**

14. Trade and other receivables

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Current						
Trade receivables – non-related parties	**710**	1,393	2,143	**82**	299	1,140
Less: Allowance for impairment of trade receivables	**(132)**	(302)	(958)	**(77)**	(205)	(906)
Trade receivables - net	**578**	1,091	1,185	**5**	94	234
Other receivables – non related parties	**1,895**	645	879	**1,870**	671	683
Less: Allowance for impairment of other receivables	**(352)**	(14)	(14)	**(352)**	(14)	(14)
Other receivables - net	**1,543**	631	865	**1,518**	657	669
	2,121	1,722	2,050	**1,523**	751	903
Non-current						
Other receivables – a non-related party	**7,179**	458	958	**7,179**	458	958

The carrying amount of the non-current other receivables approximates its fair value.

The fair value of the non-current other receivables as at 30 June 2019 are computed based on cash flows discounted at the prevailing market interest rate for a similar instrument with a similar credit rating. The fair value is within level 2 of the fair value hierarchy. The non-current other receivables due from a non-related party as at 30 June 2019 are secured over the shares of the subsidiaries of this non-related party.

NOTES TO THE FINANCIAL STATEMENTS continued

15. Inventories

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Raw materials	**-**	12	111	**-**	-	85

16. Other current assets

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Deposits	**483**	708	1,884	**59**	72	80
Prepayments	**878**	16,135	115	**19**	21	39
Other assets	**-**	156	964	**-**	-	-
	1,361	16,999	2,963	**78**	93	119

In the previous financial year, included within prepayments and other assets are development costs incurred for the Group's development on Bellfield, Papakura land ("Bellfield"), amounting to $15,294,000 relating to prepayments and cost incurred for land, construction costs for earthworks and professional fees. The land titles for Bellfield were transferred to the Group on 4 July 2018. Following the transfer of the land titles, the development costs incurred for the Group's development on Bellfield have been capitalised in development properties (Note 27).

As at 1 July 2017, other assets pertain mainly to amounts owing from a third party to be settled in kind with the Group's purchase of ice-cream supplies. A full provision has been made in previous financial year.

17. Available-for-sale financial assets

(a) Non-current

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Beginning of financial year	**502**	675	**472**	675
Reclassification on 1 July 2018*	**(502)**	-	**(472)**	-
Addition	**-**	30	**-**	30
Reclassification from investment in associated company *(Note 23)*	**-**	47	**-**	-
Impairment of available-for-sale financial assets *[Note 6(b)]*	**-**	(250)	**-**	(233)
End of financial year	**-**	502	**-**	472

** See Note 2.2 for details of reclassification as at 1 July 2018 on adoption of SFRS(I) 9.*

Available-for-sale financial assets are analysed as follows:

(i) In the previous financial year, the Group and the Company acquired a 10% interest in Page Advisor Holdings Pte Ltd amounting to $30,000.

(ii) In the previous financial year, the Group and the Company recognised an impairment loss of $250,000 and $233,000 (1 July 2017: $Nil and $Nil) respectively in respect of the investment in available-for-sale financial assets due to significant or prolonged decline in the fair value below its costs of the investment.

(b) For disclosure on the fair value hierarchy of Group's non-current available-for-sale financial assets as at 30 June 2018 and 1 July 2017, please refer to Note 18.

18. Financial assets, at FVOCI

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Beginning of financial year	**-**	-	**-**	-
Reclassification on 1 July 2018*	**502**	-	**472**	-
Fair value loss	**(502)**	-	**(472)**	-
End of financial year	**-**	-	**-**	-
Analysed as:				
Unlisted equity securities	**-**	-	**-**	-

** See Note 2.2 for details of reclassification as at 1 July 2018 on adoption of SFRS(I) 9.*

NOTES TO THE FINANCIAL STATEMENTS continued

18. Financial assets, at FVOCI continued

Fair value hierarchy

The non-current financial assets, at FVOCI (2018: Available-for-sale financial assets, 1 July 2017: Available-for-sale financial assets) are classified within Level 3 of the fair value hierarchy where the inputs used for the fair value measurement of the financial assets are not based on observable market data (unobservable inputs). The movement during the financial year is disclosed in the financial assets, at FVOCI movement table in Note 18. The movement in prior financial year is disclosed in the available-for-sale financial assets movement table in Note 17(a).

There were no transfers into or out of the fair value hierarchy levels for the financial year ended 30 June 2019 and 30 June 2018.

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation technique and key input that were used to determine the fair value of the financial assets, at FVOCI (2018: Available-for-sale financial assets, 1 July 2017: Available-for-sale financial assets) categorised under Level 3 of the fair value hierarchy:

Description	Fair value at 30 June 2019 ($'000)	Valuation technique	Unobservable input	Range of unobservable inputs
Unquoted equity investments	$Nil (2018: $502, 1 July 2017: $675)	Net asset value[a] (2018: Net asset value[a], 1 July 2017: Cost of investment[b])	Net asset value (2018: Net asset value, 1 July 2017: Not applicable)	Not applicable (2018: Not applicable, 1 July 2017: Not applicable)

[a] Fair value of the unquoted equity investments of the Group has been determined using the Group's share of net asset value of the equity investments. Management has determined that valuation using the net asset value is appropriate as the underlying assets and liabilities of the entities relate mainly to cash and cash equivalents, trade and other receivables and trade and other payables in which their carrying amount approximates their fair value.

[b] The fair value of the unquoted equity investment of the Group on 1 July 2017 has been determined using the Group's cost of investment in the equity investment. Management has determined that valuation using the cost of investment is appropriate as the Group made the equity investment on 31 May 2017. As the date of investment is close to the financial year end, management has determined that the cost of investment approximates its fair value as at 1 July 2017.

19. Due from/(to) subsidiaries

(a) Due from subsidiaries

	Company		
	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000
Non-current			
Trade	**-**	118	118
Non-trade	**86,814**	90,180	73,319
	86,814	90,298	73,437
Less: Allowance for impairment of receivables	**(7,140)**	(9,810)	(9,286)
	79,674	80,488	64,151

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand, except for $3,974,000 (2018: $3,974,000, 1 July 2017: $3,974,000) due from a subsidiary which is interest-bearing at a range of 4% to 10% (2018: 4% to 10%, 1 July 2017: 4% to 10%) per annum and $12,502,000 (2018: $Nil, 1 July 2017: $Nil) due from another subsidiary and bears an effective interest rate of 4% (2018: Nil, 1 July 2017: Nil).

Management has assessed that the trade and non-trade amount due from subsidiaries are not expected to be settled within the next twelve months. Accordingly, the amounts are classified as non-current receivables.

As at 30 June 2019, the fair values of the non-current non-trade amounts due from subsidiaries amounted to $78,112,000 (2018: $78,905,000, 1 July 2017: $62,898,000). The fair values are computed based on cash flows discounted at market bond rate of 2.0% (2018: 2.0%, 1 July 2017: 2.0%). The fair values are within Level 2 of the fair values hierarchy where the inputs used in the fair value measurement are inputs other than quoted prices that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(b) Due to subsidiaries

As at 30 June 2019, the current non-trade amounts due to subsidiaries are $9,957,000 (2018: $9,161,000, 1 July 2017: $8,589,000) and are unsecured, interest-free and repayable on demand.

20. Due from an associated company

	Group and Company		
	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000
Due from an associated company (trade)	**337**	277	-

The trade amounts due from an associated company is unsecured, interest-free and repayable on demand.

21. Other non-current assets

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Club membership at cost	**97**	97	97	**97**	97	97
Less: Allowance for impairment loss	**(97)**	(67)	(45)	**(97)**	(67)	(45)
	-	30	52	**-**	30	52
Other assets	**827**	631	524	**-**	-	50
Less: Allowance for impairment loss	**-**	-	(50)	**-**	-	(50)
	827	631	474	**-**	-	-
	827	661	526	**-**	30	52

NOTES TO THE FINANCIAL STATEMENTS continued

22. Investments in subsidiaries

	Company	
	2019 $'000	2018 $'000
Equity investments at cost		
Beginning of financial year	**7,382**	8,600
Disposals *[Note 22(a)]*	**-**	(1,218)
End of financial year	**7,382**	7,382
Accumulated impairment		
Beginning of financial year	**4,139**	5,185
Disposals	**-**	(1,046)
Impairment loss *[Note 22(b)]*	**349**	-
End of financial year	**4,488**	4,139
Carrying value		
End of financial year	**2,894**	3,243

Details of the subsidiaries are included in Note 41.

(a) The Company recognised an impairment loss on its investments in GYP Investments Pte Ltd ("GYPI"), a wholly owned subsidiary of the Company, amounting to $349,000 to adjust the carrying amount of the investment in subsidiary to its recoverable amount. The recoverable amount for the subsidiary was estimated based on the fair value less cost to sell of the net assets as at the balance sheet date. The inputs used to determine the fair value of the investment are categorised under Level 3 of the fair value hierarchy. Management has determined that the net asset value is appropriate as the underlying assets and liabilities of the entity relate mainly to cash and cash equivalents, other receivables and other payables in which their carrying amount approximates its fair value.

(b) On 5 January 2018, the Company transferred 100% of its interest held in its wholly owned subsidiary, SG Innovation Hub Pte Ltd ("SGIH") to another wholly owned subsidiary, GYPI for a consideration of $1. Accordingly, a loss on disposal of investment in SGIH has been recognised in the profit or loss of the Company amounting to $172,000 in the previous financial year.

(c) Carrying value of non-controlling interests

	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000
Singapore River Explorer Pte Ltd ("SRE")	**16**	(13)	(20)

SRE has an amount due to the Company amounting to $7,813,000 (2018: $7,599,000, 1 July 2017: $7,361,000) which is not probable that the Company will be able to recover the balance following the cessation of SRE's operations in FY2016. This amount has been fully provided for resulting in a gain of $107,000 (2018: $119,000) to the non-controlling interest recognised during the year. Cumulative gain representing 50% of the provision made for the intercompany balance accruing to the non-controlling interest amounts to $3,907,000 (2018: $3,800,000, 1 July 2017: $3,681,000) [Note 34 (b)(v)] as at year end.

The non-controlling interest as at 30 June 2019, 30 June 2018 and 1 July 2017 is not material to the Group.

23. Investments in associated companies

	Group	
	2019 $'000	2018 $'000
Beginning of financial year	**141**	110
Additions	**-**	560
Liquidation	**(109)**	(1)
Share of results of an associated company	**(24)**	(74)
Impairment loss *[Note 6(b)]*	**(8)**	-
Loss on deemed disposal of an associated company *[Note 6(b)]*	**-**	(407)
Reclassification to available-for-sale financial asset *[Note 17]*	**-**	(47)
End of financial year	**-**	141

	Company	
	2019 $'000	2018 $'000
Unquoted equity investments		
At cost		
Beginning of financial year	**60**	6
Addition	**-**	60
Disposal	**-**	(6)
End of financial year	**60**	60
Accumulated impairment loss		
Beginning of financial year	**-**	5
Disposal	**-**	(5)
Impairment loss	**60**	-
End of financial year	**60**	-
	-	60

Details of the associated companies of the Group are included in Note 41.

(i) On 18 July 2018, the Group received $109,000 as a return of capital from the completion of the liquidation of an associated company, Forward Media Sdn Bhd.

(ii) On 5 January 2018, the Group invested $500,000 in FundPlaces Pte. Ltd. ("FundPlaces") through a wholly owned subsidiary, FP Network Pte. Ltd., constituting 20% interest in FundPlaces and accounted for the investment as an investment in an associated company as the Group was able to demonstrate significant influence over FundPlaces.

On 11 May 2018, a new Shareholders' Agreement was executed and the Group lost its Board representation in FundPlaces. Although the Group retains its 20% interest in FundPlaces, management has assessed that the Group no longer has significant influence over FundPlaces. Accordingly, the investment in FundPlaces has been reclassified as an available-for-sale financial asset (Note 17). A loss on deemed disposal of an associated company amounting to $407,000 has been recognised in profit or loss of the Group in the previous financial year.

(iii) On 31 July 2017, the Group and the Company invested $60,000 in Yellow Pages Pte. Ltd. ("YP") constituting 20% interest in YP and accounted for the investment as an investment in an associated company as the Group and the Company were able to demonstrate significant influence over YP. The Group and the Company also entered into a licensing arrangement with YP for the exclusive rights to use the Internet Yellow Pages and the non-exclusive rights to the trademarks. The Group and the Company earned royalty income from YP which amounted to $151,000 (2018: $237,000) (Note 5).

The Group's investments in the associated companies as at 30 June 2019 and 30 June 2018 are not material to the Group. There are no contingent liabilities relating to the Group's interest in the associated companies.

NOTES TO THE FINANCIAL STATEMENTS continued

24. Investment in joint venture

	Group
	1 July 2017 $'000
Unquoted equity investment *At cost*	
Beginning and end of financial year	#
Accumulated impairment loss	
Beginning and end of financial year	#
	-

Amount less than $1,000

The investment in joint venture has been fully impaired and struck off from the Register in the previous financial year.

Details of the joint venture company of the Group are included in Note 41.

The Group's investment in the joint venture as at 1 July 2017 was not material to the Group. There are no contingent liabilities relating to the Group's interest in the joint venture.

25. Property, plant and equipment

Group 2019	Leasehold property $'000	Office equipment and furniture $'000	Computer equipment $'000	Fittings and fixtures $'000	Motor vehicles $'000	Total $'000
Cost						
Beginning of financial year	18,064	661	525	997	196	20,443
Additions	-	26	10	128	-	164
Disposals and write-offs	-	(102)	(245)	-	-	(347)
Disposal of subsidiaries *(Note 13)*	-	(40)	(40)	-	-	(80)
Currency translation differences	-	-	2	(1)	-	1
End of financial year	18,064	545	252	1,124	196	20,181
Accumulated depreciation						
Beginning of financial year	10,387	563	419	671	43	12,083
Depreciation charge	693	56	21	114	18	902
Disposals and write-offs	-	(65)	(198)	(13)	-	(276)
Disposal of subsidiaries *(Note 13)*	-	(36)	(3)	-	-	(39)
Currency translation differences	-	-	-	-	-	-
End of financial year	11,080	518	239	772	61	12,670
Accumulated impairment						
Beginning of financial year	-	9	42	18	-	69
Disposals and write-offs	-	(9)	(42)	(18)	-	(69)
End of financial year	-	-	-	-	-	-
Net book value						
End of financial year	**6,984**	**27**	**13**	**352**	**135**	**7,511**

Group 2018	Leasehold property $'000	Office equipment and furniture $'000	Computer equipment $'000	Fittings and fixtures $'000	Motor vehicles $'000	Renovation $'000	Total $'000
Cost							
Beginning of financial year	18,064	670	662	736	389	48	20,569
Additions	-	1	7	262	142	-	412
Disposals and write-offs	-	(8)	(143)	-	(335)	(48)	(534)
Currency translation differences	-	(2)	(1)	(1)	-	-	(4)
End of financial year	18,064	661	525	997	196	-	20,443
Accumulated depreciation							
Beginning of financial year	9,694	500	495	617	244	13	11,563
Depreciation charge	693	68	33	54	36	4	888
Disposals and write-offs	-	(4)	(109)	-	(237)	(17)	(367)
Currency translation differences	-	(1)	-	-	-	-	(1)
End of financial year	10,387	563	419	671	43	-	12,083
Accumulated impairment							
Beginning and end of financial year	-	9	42	18	-	-	69
Net book value							
End of financial year	7,677	89	64	308	153	-	8,291

NOTES TO THE FINANCIAL STATEMENTS continued

25. Property, plant and equipment continued

Company 2019	Leasehold property $'000	Office equipment and furniture $'000	Computer equipment $'000	Fittings and fixtures $'000	Motor vehicles $'000	Total $'000
Cost						
Beginning of financial year	18,064	519	401	980	196	20,160
Additions	-	26	10	38	-	74
Disposals and write-offs	-	-	(154)	-	-	(154)
End of financial year	18,064	545	257	1,018	196	20,080
Accumulated depreciation						
Beginning of financial year	10,387	466	378	657	43	11,931
Depreciation charge	693	50	21	83	18	865
Disposals	-	-	(154)	-	-	(154)
End of financial year	11,080	516	245	740	61	12,642
Net book value						
End of financial year	**6,984**	**29**	**12**	**278**	**135**	**7,438**

Company 2018	Leasehold property $'000	Office equipment and furniture $'000	Computer equipment $'000	Fittings and fixtures $'000	Motor vehicles $'000	Total $'000
Cost						
Beginning of financial year	18,064	518	536	736	389	20,243
Additions	-	1	1	244	142	388
Disposals and write-offs	-	-	(136)	-	(335)	(471)
End of financial year	18,064	519	401	980	196	20,160
Accumulated depreciation						
Beginning of financial year	9,694	416	449	603	244	11,406
Depreciation charge	693	50	33	54	36	866
Disposals	-	-	(104)	-	(237)	(341)
End of financial year	10,387	466	378	657	43	11,931
Net book value						
End of financial year	**7,677**	**53**	**23**	**323**	**153**	**8,229**

NOTES TO THE FINANCIAL STATEMENTS continued

26. Investment properties

(a) Investment properties

	Group	
	2019 $'000	2018 $'000
Beginning of financial year	**91,368**	95,064
Fair value (loss)/gain *[Note 6(a)/(b)]*	**(1,191)**	4,542
Currency exchange differences	**(1,514)**	(8,238)
End of financial year	**88,663**	91,368

Investment properties are leased to non-related parties under operating leases [Note 37(c)].

Investment properties with carrying values amounting to $84,851,000 (2018: $87,676,000, 1 July 2017: $91,094,000) are mortgaged to secure bank loans [Note 31(b)(iv)].

The following amounts are recognised in profit and loss:

	Group	
	2019 $'000	2018 $'000
Rental revenue *(Note 4)*	**9,252**	10,345
Direct operating expenses arising from:		
- Investment properties that generate rental revenue	**3,402**	3,480
- Investment properties that do not generate rental revenue	**23**	-

Investment properties are stated at fair value based on valuations performed by independent external professional valuer. The fair values are generally derived using the following methods:

- Income Capitalisation – Properties are valued by capitalising the net property income at an appropriate rate of return to arrive at the market value. The net property income is the estimated annual net rental income of the building at current rate after deducting all necessary outgoings and expenses. The adopted yield reflects the nature, location, tenure, tenancy profile of the property together with the prevailing property market condition.

- Discounted Cash Flow – Properties are valued by discounting the future net income stream over a period to arrive at a present value.

- Direct Comparison – Properties are valued using analysis of comparable sales after making allowances for factors such as date of sale, sale terms and conditions, location, discernible differences between the properties and other pertinent factors, to assist in the assessment of current market value.

Management is of the view that the valuation methods and estimates are reflective of the current market condition.

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	Description/existing use	Tenure
10 Aylesbury Street and 167 Pakuranga Road, Pakuranga, Auckland, New Zealand	Retail and office space including a four-storey shopping mall, outdoor Warehouse Plaza and a standalone Plaza Business Centre	Freehold
169 Pakuranga Road, Pakuranga, Auckland, New Zealand	Land for development	999-year lease
171 Pakuranga Road, Pakuranga, Auckland, New Zealand	Land for development	999-year lease

(b) Fair value hierarchy

The investment properties are classified within Level 3 of the fair value hierarchy. The movement during the financial year is disclosed in the investment properties movement table presented in Note 26(a). There were no transfers into or out of the fair value hierarchy levels for the financial year ended 30 June 2019 and 30 June 2018.

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value at 30 June 2019 ($'000)	Valuation technique	Unobservable input[a]	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Retail and office space	$84,851 (2018: $87,676 1 July 2017: $91,094)	Income capitalisation	Capitalisation rate	7.88% (2018: 7.75% 1 July 2017: 8.13%)	The higher the capitalisation rate, the lower the fair value
		Discounted cash flow	Discount rate	9.00% (2018: 9.00% 1 July 2017: 9.63%)	The higher the discount rate, the lower the fair value
			Terminal capitalisation rate	8.13% (2018: 8.00% 1 July 2017: 8.38%)	The higher the terminal capitalisation rate, the lower the fair value
Land for development (2018: Land for development 1 July 2017: Residential apartment units[b])	$3,812 (2018: $3,692 1 July 2017: $3,970)	Direct comparison	Adjusted price per square metre	Land rate of $1,902 and $1,904 (2018: $1,842 and $1,844 1 July 2017: $6,305 - $7,398)	The higher the adjusted price per square metre, the higher the fair value

[a] There were no significant inter-relationships between unobservable inputs.

[b] As at 1 July 2017, the land for development was valued separately based on six residential apartment units on the land area. As at 30 June 2019 and 30 June 2018, the residential units have been vacated and the investment property has been valued as a vacant site for future re-development.

NOTES TO THE FINANCIAL STATEMENTS continued

26. Investment properties continued

(b) Fair value hierarchy continued

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 30 June 2019, 30 June 2018 and 1 July 2017, the fair values of the properties have been determined by Bayleys Valuations Limited.

At each financial year end, management:

- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

Changes in Level 3 fair values are analysed at each reporting date during the management meeting. As part of this discussion, a report is presented to the Board of Directors that explains the reasons for the fair value movements.

27. Development properties

	Group		
	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000
Land at cost	**50,394**	18,005	19,681
Development costs	**26,828**	6,223	2,029
Borrowing costs capitalised (Note 9)	**1,168**	522	254
Development properties	**78,390**	24,750	21,964

(a) As at 30 June 2019, properties under development which were not scheduled for completion within the next 12 months amounted to $35,729,000 (2018: $24,750,000, 1 July 2017: $21,964,000).

(b) The costs capitalised under development properties amounting to $78,390,000 (2018: $24,750,000, 1 July 2017: $21,964,000) are denominated in New Zealand dollars ("NZD").

(c) Borrowing costs of $631,000 (2018: $338,000, 1 July 2017: $254,000) arising from bank borrowing specifically entered into for the purchase of the land for development were capitalised during the financial year and included in development properties. The bank borrowing is secured on the land for development and bears effective interest rate of 4.49% (2018: 4.69%, 1 July 2017: 4.64%) per annum at the balance sheet date.

(d) Details of the Group's development properties are as follows:

	Tenure of Land	Site area (sqm)
Remarkables Residences A planned development comprising 200-225 units of residential units	Freehold	38,400
Bellfield Estate A planned development site comprising 500 lots for residential units	Freehold	218,400

The Remarkables Residences development has been pledged by way of first registered and exclusive mortgage as security for the bank loan granted to the Group [Note 31(b)(v)].

28. Intangible assets

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Composition:						
Intellectual property assets	**-**	11,863	11,863	**-**	-	-
Computer software licence and development costs	**-**	16	157	**-**	7	139
	-	11,879	12,020	**-**	7	139

(a) Intellectual property assets

	Group			Company		
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Beginning of financial year	**11,863**	11,863	11,863	**-**	-	-
Amortisation	**-**	-	-	**-**	-	-
Disposal of subsidiaries *(Note 13)*	**(11,863)**	-	-	**-**	-	-
End of financial year	**-**	11,863	11,863	**-**	-	-
Intellectual property assets with indefinite useful lives *[Note 28(a)(i)]*	**-**	11,863	11,863	**-**	-	-
Intellectual property assets with finite useful lives *[Note 28(a)(ii)]*	**115,480**	115,480	115,480	**115,480**	115,480	115,480
Accumulated amortisation	**(6,166)**	(6,166)	(6,166)	**(6,166)**	(6,166)	(6,166)
Accumulated impairment	**(109,314)**	(109,314)	(109,314)	**(109,314)**	(109,314)	(109,314)
	-	-	-	**-**	-	-
Net book value	**-**	**11,863**	**11,863**	**-**	-	-

NOTES TO THE FINANCIAL STATEMENTS continued

28. Intangible assets continued

(a) Intellectual property assets continued

(i)The intellectual property assets include trademarks, recipes and formulas and have been assessed as having an indefinite useful life as the directors believe there is no foreseeable limit to the period over which this trademark is expected to generate net cash inflows for the Group. This conclusion is subject to annual reviews to determine whether events and circumstances continue to support the indefinite useful life basis for this asset.

On 30 November 2018, the Group announced the disposal of 100% interests in GFRG Group. Intellectual property assets with indefinite useful life amounting to $11,863,000 relates to the assets disposed of within GFRG Group. Accordingly, $11,863,000 has been derecognised by the Group in the current financial year.

(ii) The intellectual property assets with finite useful life acquired upon business acquisition were valued on the basis of fair market value of the brand names and related trademarks by an independent valuer. As the leading publisher of telephone directories as well as the largest provider of classified directory advertising and associated products and services in Singapore, the Group has a number of intellectual property assets, which are mainly registered trademarks.

On 1 August 2017, the Company announced that it will restructure its business to focus on real estate as its core business and cease publication of print directories from 2018 and revamp the digital business (Note 11). These intellectual property assets have been fully impaired as at 1 July 2017.

(b) Impairment test of indefinite life intellectual property assets

Indefinite life intellectual property assets are tested for impairment annually and whenever there is any impairment indication. For purposes of impairment testing, the recoverable amount of the CGU has been determined based on the value-in-use calculations.

In the previous financial years, indefinite life intellectual property assets amounting $11,863,000 relating to the Wendy's CGU have been tested for impairment. The cash flow projections used in the value-in-use calculations are based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated terminal growth rate stated in Note 28(c). The terminal growth rate did not exceed the long term average growth rate of the industry. Based on the value-in-use calculations, the recoverable amount of the Wendy's CGU is higher than its carrying amount.

(c) Critical assumptions used for value-in-use calculations

Wendy's CGU	30 June 2018	1 July 2017
Terminal growth rate	2.2%	2.0%
Discount rate (pre-tax)	15.8%	15.0%

In the previous financial year, based on the key assumptions above used by management, an increase in the weighted average cost of capital (pre-tax) by 0.4% (1 July 2017: 1.6%) or a decrease in terminal growth rate by 0.3% (1 July 2017: 1.6%), with all other variables being held constant, would result in the value-in-use being equal to the carrying value.

(d) Computer software licence and development costs

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Cost				
Beginning of financial year	**557**	619	**526**	589
Additions	**-**	2	**-**	-
Write-offs	**(129)**	(63)	**(129)**	(63)
Disposals	**-**	-	**-**	-
Disposal of subsidiaries *(Note 13)*	**(428)**	-	**-**	-
Currency translation differences	**-**	(1)	**-**	-
End of financial year	**-**	557	**397**	526
Accumulated amortisation				
Beginning of financial year	**541**	462	**519**	450
Amortisation	**11**	79	**7**	69
Write-offs	**(129)**	-	**(129)**	-
Disposal of subsidiaries *(Note 13)*	**(423)**	-	**-**	-
End of financial year	**-**	541	**397**	519
Net book value	**-**	16	**-**	7

29. Trade and other payables

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Current						
Trade payables:						
- Non-related parties	**10,381**	1,211	858	**-**	1	7
Other creditors	**413**	622	619	**223**	352	409
Security deposits	**233**	216	303	**84**	164	198
Accruals for operating expenses	**788**	2,220	2,518	**620**	848	1,007
Accrued interest payable - loans	**848**	50	47	**115**	7	7
Retention payables	**134**	-	-	**-**	-	-
Other liabilities	**623**	1,861	1,027	**97**	-	-
	13,420	6,180	5,372	**1,139**	1,372	1,628
Non-current						
Trade payables:						
- Non-related parties	**6,137**	-	-	**-**	-	-
Security deposits	**475**	526	464	**230**	248	249
Retention payables	**134**	161	-	**-**	-	-
Other liabilities	**20**	24	25	**-**	-	-
	6,766	711	489	**230**	248	249
	20,186	6,891	5,861	**1,369**	1,620	1,877

The carrying amount of non-current trade payables, security deposits, retention payables and other liabilities approximate its fair value. The fair value of the non-current trade payables is computed based on cash flows discounted at a subsidiary's market borrowing rate. The fair value is within level 2 of the fair value hierarchy.

The current and non-current trade payables to non-related parties mainly relate to outstanding instalments for the purchase price of Bellfield Estate land (Note 27) amounting to $14,265,000 of which $8,128,000 will be due for repayment on 30 September 2019 and $6,137,000 will be due for repayment on 30 September 2020.

NOTES TO THE FINANCIAL STATEMENTS continued

30. Provision

	Group and Company	
	2019 $'000	2018 $'000
Provision for legal claims		
Beginning of financial year	**1,246**	583
Provision made *[Note 11(c)]*	**-**	663
Write-back of provision	**-**	-
Provision utilised	**(1,246)**	-
End of financial year	**-**	1,246

On 27 October 2009, the Group commenced legal proceedings relating to copyright infringement. On 28 January 2016, the Court dismissed the Group's claim and costs were awarded to the defendant for both defending the claim and the counterclaim. The Group has appealed the decision by the Court and the appeal was heard on 23 November 2015. The Court of Appeal allowed parts of the Group's claim, but dismissed the Group's appeal in respect of the copyright infringement.

As at 1 July 2017, after taking appropriate legal advice, the Group wrote back the provision amounting to $417,000 for the legal claims with an ending provision of $583,000.

As at 30 June 2018, the suit and appeal are at an end with only costs to be resolved. On 21 August 2018, the Group announced that the High Court reviewed the costs payable by the Group to the defendant and has awarded the sum of $1,175,000 to the defendant. The Group has made a provision amounting $1,246,000 in respect of the estimated legal claims awarded including Court's taxing fees as at 30 June 2018. On 23 October 2018, the Group made a full settlement to the defendant for the costs, disbursements, GST and interests awarded by the court judgement dated 21 August 2018. With the full settlement, the Group has no further liability in relation to this legal proceeding as at 30 June 2019.

31. Borrowings

(a) Current

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Bank loans - unsecured	**5,000**	-	-	**5,000**	-	-
Bank loans - secured	**1,805**	60,048	67,536	**1,805**	1,739	1,682
Other financing	**241**	-	-	**-**	-	-
	7,046	60,048	67,536	**6,805**	1,739	1,682

(b) Non-current

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Bank loans - secured	**83,617**	11,977	13,715	**10,174**	11,977	13,715

The exposure of the borrowings of the Group and the Company to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
6 months or less	**90,422**	72,025	23,144	**16,979**	13,716	15,397

Details of the bank loans are as follows:

(i) A term loan of $10,763,000 (2018: $11,906,000, 1 July 2017: $13,016,000) is secured over the Company's leasehold property and is repayable over 10 years with a fixed repayment schedule beginning September 2012.

(ii) A term loan of $1,216,000 (2018: $1,810,000, 1 July 2017: $2,381,000) is secured over the Company's leasehold property and is repayable over 7 years with a fixed repayment schedule beginning June 2014.

(iii) A money market line of $5,000,000 is unsecured, repayable over 6 months.

(iv) Term loans of $54,450,000 (2018: $51,221,000, 1 July 2017: $58,107,000) ("PPL loans") are secured over the Group's investment properties (Note 26). During the current financial year, the loan was re-financed and will mature in March 2022.

(v) Term loans of $18,993,000 (2018: $7,088,000, 1 July 2017: $7,747,000) ("RR land loan") are secured over the Group's development properties in Remarkables Residences (2018 and 1 July 2017: a freehold land parcel purchased) [Note 27(d)]. The term loans mature in September 2020.

(vi) Carrying amount and fair value

The carrying amounts of the Group's borrowings approximate their fair values as at 30 June 2019, 30 June 2018 and 1 July 2017.

The fair values are within Level 2 of the fair value hierarchy.

The weighted average effective interest rate of the Group at the balance sheet date is 4.25% (2018: 4.25%, 1 July 2017: 4.80%).

(vii) Refinancing of current borrowings

In the previous financial year, term loans amounting to $58,309,000 (1 July 2017: $65,854,000) at the balance sheet date matured on 30 September 2018 (1 July 2017: 24 October 2017). These term loans were secured over a freehold property (Note 26) and a freehold land (Note 27).

On 29 August 2018, the Group had obtained the extension to the PPL loans amounting to $51,221,000 [Note 31(b)(iv)] with the bank for a further term of 3 years and will be due for expiry on August 2021.

On 30 August 2018, the RR land loan amounting to $7,088,000 [Note 31(b)(v)] had been further extended for a period of 2 months from 30 September 2018. The loan has expired on 30 November 2018.

The Group finalised the RR development loan with the bank in October 2018 for the development of Remarkables Residences [Note 27(d)]. On 23 November 2018, the development loan ("RR development loan") was drawndown and together with the RR land loan, the loans will be due for expiry in March 2020.

On 29 March 2019, the Group re-financed the RR land loan and RR development loan and the new loans will be fully repayable on September 2020.

On the same date, the Group also re-financed the PPL loans and the new loan will be fully repayable on March 2022.

As at 30 June 2019, 30 June 2018 and 1 July 2017, the Group is in compliance with all the debt covenants.

NOTES TO THE FINANCIAL STATEMENTS continued

31. Borrowings continued

(c) Undrawn borrowing facilities

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Expiring within one year	**16,581**	-	-	**-**	-	-
Expiring beyond one year	**1,500**	5,000	5,000	**1,000**	5,000	5,000
	18,081	5,000	5,000	**1,000**	5,000	5,000

The facilities expiring within one year from the balance sheet date pertains to the development loan from the bank for the construction of Remarkables Residences. The other facilities are mainly to finance the Group's working capital purposes.

32. Share capital and treasury shares

	No. of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital $'000	Treasury shares $'000
Group and Company				
2019				
Beginning and end of financial year	**275,835**	**(914)**	**92,702**	**(960)**
2018				
Beginning of financial year	210,015	(914)	79,705	(960)
Ordinary share issued	65,820	-	13,164	-
Share issue expenses	-	-	(167)	-
End of financial year	275,835	(914)	92,702	(960)

(a) 2018

On 4 June 2018, the Company issued 24,000,000 new ordinary shares to Mr Mah Bow Tan under a placement agreement at a price of $0.20 per share. On 27 June 2018, the Company also issued 41,820,136 new ordinary shares in the capital of the Company at the rights issue price of $0.20 per share. The net proceeds from the placement and rights issuance as at 30 June 2018 were $4,732,000 and $8,265,000 respectively, which have been fully utilised for the Group's acquisition of the Bellfield Estate land for the purpose of residential development for sale (Note 27).

(b) 1 July 2017

On 7 October 2016, the Company completed the placement of 34,076,000 new ordinary shares in the capital of GYP Properties Limited (formerly known as Global Yellow Pages Limited) at the issue price of $0.154 per share. The net proceeds from the placement were $5,212,000 and has been fully utilised on 15 November 2015 for the Group's acquisition of a land parcel in Queenstown, New Zealand for the purpose of residential development for sale (Note 27).

(c) Warrants

In the previous financial year, arising from the rights issued in (a) above, the number of existing warrants was reduced from 102,263,118 to 99,340,476. No warrants have been exercised in the current and previous financial years. On 25 June 2019, 99,340,476 warrants have expired. As at 30 June 2018, 99,340,476 (1 July 2017: 102,263,118) warrants have not been exercised.

33. Accumulated loss

Movement in accumulated loss for the Company is as follows:

	Company	
	2019 $'000	2018 $'000
Beginning of financial year	**(18,852)**	(15,602)
Net profit/(loss)	**2,750**	(3,250)
End of financial year	**(16,102)**	(18,852)

34. Other reserves

(a) Composition

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Share option reserve	**57**	57	57	**57**	57	57
Currency translation reserve	**(4,102)**	(3,387)	132	**-**	-	-
Fair value reserve	**(752)**	-	-	**(705)**	-	-
Capital reserve	**(4,003)**	(4,003)	(4,003)	**(4,003)**	(4,003)	(4,003)
Transactions with non-controlling interest	**(3,975)**	(3,868)	(3,794)	**-**	-	-
	(12,775)	(11,201)	(7,608)	**(4,651)**	(3,946)	(3,946)

NOTES TO THE FINANCIAL STATEMENTS continued

34. Other reserves continued

(b) Movements

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
(i) Share option reserve				
Beginning and end of financial year	**57**	57	**57**	57
(ii) Currency translation reserve				
Beginning of financial year	**(3,387)**	132	**-**	-
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**(710)**	(3,519)	**-**	-
Reclassification on disposal of subsidiaries	**(5)**	-	**-**	-
End of financial year	**(4,102)**	(3,387)	**-**	-
(iii) Fair value reserve				
Beginning of financial year	**-**	-	**-**	-
Adoption of SFRS (I) 9	**(250)**	-	**(233)**	-
Balance as at 1 July 2018	**(250)**	-	**(233)**	-
Fair value losses on available-for-sale financial assets *(Note 17)*	**-**	(250)	**-**	(233)
Fair value losses on financial assets, at FVOCI *(Note 18)*	**(502)**	-	**(472)**	-
Reclassification to profit or loss on impairment of financial assets, available-for-sale *(Note 17)*	**-**	250	**-**	233
End of financial year	**(752)**	-	**(705)**	-
(iv) Capital reserve				
Beginning and end of financial year	**(4,003)**	(4,003)	**(4,003)**	(4,003)

The capital reserve arose from the reissuance of treasury shares in financial year ended 30 June 2016 as consideration for the Group's acquisition of subsidiaries. The loss from reissuance of treasury shares of $4,003,000 was recognised in the capital reserve.

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
(v) Transactions with non-controlling interest				
Beginning of financial year	**(3,868)**	(3,794)	**-**	-
Transactions with non-controlling interest *[Note 22(c)]*	**(107)**	(119)	**-**	-
Disposal of subsidiaries	**-**	45	**-**	-
End of financial year	**(3,975)**	(3,868)	**-**	-

35. Dividends

For the financial year ended 30 June 2019 and 30 June 2018, no dividend has been declared or recommended.

36. Contingent liabilities

(a) The Company has given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the date of financial statements. At the date of these financial statements, the directors are of the view that no material losses will arise from the undertaking to provide financial support to these subsidiaries.

(b) On 28 June 2019, a director of the Group's subsidiary, SRE, commenced a claim against the Group in the High Court of the Republic of Singapore for costs in respect of the case in (c) below amounting to $357,000 and interests. At the date of these financial statements, based on legal advice, the directors are of the view that no material losses will arise from this claim and accordingly, no provision has been made by the Group as at 30 June 2019.

(c) On 7 July 2017, the Group commenced a separate legal claim on behalf of a subsidiary against the other shareholder of the subsidiary for breach of Service Agreement entered into between the shareholder and the subsidiary and against a director of the subsidiary for breach of director's duties owed to the subsidiary.

On 8 March 2019, the Group has discontinued the case and entered into an out-of-court settlement with the shareholder. As at 30 June 2019, the settlement sum has been fully received.

(d) On 23 December 2015, the Group filed a claim in the Supreme Court of South Australia through its wholly owned subsidiary, GFRG, against a third party for infringement of the Wendy's trademarks, passing off and misleading and deceptive conduct. A counterclaim was then filed by the defendant against the Group, alleging that the Group had misled the defendant into believing that the defendant had the rights to continue using the intellectual property.

For the financial year ended 30 June 2018, independent legal advice obtained indicates that it is unlikely that any significant liability will arise from the counterclaim. On 30 November 2018, the Group disposed of GFRG Group which includes the Wendy's trademark. At the date of these financial statements, the Group no longer has involvement in this claim following the disposal of the GFRG Group.

37. Commitments

(a) Capital commitments

There are no capital expenditure contracted for at the balance sheet date but not recognised in the financial statements as at 30 June 2019 and 30 June 2018.

(b) Operating lease commitments – where the Group is a lessee

The Group leases certain computer, office equipment and office space under non-cancellable operating lease agreements from non-related parties. The leases have varying terms and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Not later than one year	**4**	228	234	**4**	1	44
Between one and five years	**15**	11	102	**15**	-	1
	19	239	336	**19**	1	45

NOTES TO THE FINANCIAL STATEMENTS continued

37. Commitments continued

(c) Operating lease commitments – where the Group is a lessor

The Group leases out investment properties and excess office space that it owns under non-cancellable operating leases to non-related parties. The leases have varying terms and renewal rights.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Not later than one year	**8,106**	8,988	8,543	**2,005**	1,389	2,137
Between one and five years	**16,283**	14,684	11,839	**1,641**	984	787
More than five years	**4,275**	7,344	3,894	**-**	-	-
	28,664	31,016	24,276	**3,646**	2,373	2,924

38. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Market risk

(i) Currency risk

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD"), Australian Dollars ("AUD") and New Zealand Dollars ("NZD").

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Where appropriate, the exposure is managed through borrowings denominated in the relevant foreign currencies.

The Group's currency exposures based on the information provided to key management are as follows:

30 June 2019	SGD $'000	AUD $'000	NZD $'000	Others $'000	Total $'000
Cash and cash equivalents	403	-	2,612	11	3,026
Trade and other receivables	8,729	-	571	-	9,300
Other financial assets	59	-	424	-	483
Intercompany receivables	74,448	3,861	51,284	-	129,593
Due from an associated company	337	-	-	-	337
Other financial liabilities	(1,335)	-	(18,228)	-	(19,563)
Borrowings	(16,979)	-	(73,684)	-	(90,663)
Intercompany payables	(74,448)	(3,861)	(51,284)	-	(129,593)
Net financial (liabilities)/assets	(8,786)	-	(88,305)	11	(97,080)
Less: Net financial liabilities denominated in the respective entities functional currencies	(4,925)	-	109,113	-	104,188
Net currency exposure	(13,711)	-	20,808	11	7,108

30 June 2018					
Cash and cash equivalents	978	2,059	473	57	3,567
Trade and other receivables	1,104	282	794	-	2,180
Other financial assets	72	-	636	-	708
Intercompany receivables	80,185	14,014	36,331	24	130,554
Due from an associated company	277	-	-	-	277
Other financial liabilities	(1,881)	(857)	(2,292)	-	(5,030)
Borrowings	(13,716)	-	(58,309)	-	(72,025)
Intercompany payables	(80,185)	(14,014)	(36,331)	(24)	(130,554)
Net financial (liabilities)/assets	(13,166)	1,484	(58,698)	57	(70,323)
Less: Net financial liabilities/(assets) denominated in the respective entities functional currencies	505	(1,034)	75,884	-	75,355
Net currency exposure	(12,661)	450	17,186	57	5,032

NOTES TO THE FINANCIAL STATEMENTS continued

38. Financial risk management continued

(a) Market risk continued

(i) Currency risk continued

1 July 2017	SGD $'000	AUD $'000	NZD $'000	Others $'000	Total $'000
Cash and cash equivalents	2,395	6,013	1,273	154	9,835
Trade and other receivables	2,027	397	529	55	3,008
Other financial assets	80	-	1,804	-	1,884
Intercompany receivables	65,728	8,935	28,370	-	103,033
Other financial liabilities	(2,067)	(1,502)	(1,248)	(17)	(4,834)
Borrowings	(15,397)	-	(65,854)	-	(81,251)
Intercompany payables	(65,728)	(8,935)	(28,370)	-	(103,033)
Net financial (liabilities)/assets	(12,962)	4,908	(63,496)	192	(71,358)
Less: Net financial liabilities/(assets) denominated in the respective entities functional currencies	13,021	(788)	76,628	-	88,861
Net currency exposure	59	4,120	13,132	192	17,503

The Company's currency exposures based on the information provided to key management are as follows:

30 June 2019	SGD $'000	AUD $'000	NZD $'000	Others $'000	Total $'000
Cash and cash equivalents	350	-	1	11	362
Trade and other receivables	8,702	-	-	-	8,702
Other financial assets	59	-	-	-	59
Due from subsidiaries	49,631	2,500	17,586	-	69,717
Due from an associated company	337	-	-	-	337
Other financial liabilities	(1,272)	-	-	-	(1,272)
Borrowings	(16,979)	-	-	-	(16,979)
Net financial assets	40,828	2,500	17,587	11	60,926
Less: Net financial assets denominated in the respective entities functional currencies	(40,828)	-	-	-	(40,828)
Net currency exposure	-	2,500	17,587	11	20,098

30 June 2018	SGD $'000	AUD $'000	NZD $'000	Others $'000	Total $'000
Cash and cash equivalents	739	186	13	57	995
Trade and other receivables	1,209	-	-	-	1,209
Other financial assets	72	-	-	-	72
Due from/(to) subsidiaries	63,077	(5,364)	13,614	-	71,327
Due from an associated company	277	-	-	-	277
Other financial liabilities	(1,620)	-	-	-	(1,620)
Borrowings	(13,716)	-	-	-	(13,716)
Net financial assets/(liabilities)	50,038	(5,178)	13,627	57	58,544
Less: Net financial assets denominated in the respective entities functional currencies	(50,038)	-	-	-	(50,038)
Net currency exposure	-	(5,178)	13,627	57	8,506

1 July 2017					
Cash and cash equivalents	2,262	4,613	312	154	7,341
Trade and other receivables	1,861	-	-	-	1,861
Other financial assets	80	-	-	-	80
Due from/(to) subsidiaries	49,562	(4,750)	10,750	-	55,562
Other financial liabilities	(1,860)	-	-	(17)	(1,877)
Borrowings	(15,397)	-	-	-	(15,397)
Net financial assets/(liabilities)	36,508	(137)	11,062	137	47,570
Less: Net financial assets denominated in the respective entities functional currencies	(36,508)	-	-	-	(36,508)
Net currency exposure	-	(137)	11,062	137	11,062

NOTES TO THE FINANCIAL STATEMENTS continued

38. Financial risk management continued

(a) Market risk continued

(i) Currency risk continued

If the AUD and NZD change against SGD by 1% (2018: 3%, 1 July 2017: 2%) with all other variables including tax rate being held constant, the effects arising from the net financial asset position will be as follows:

	Increase/(Decrease)		Increase/(Decrease)		Increase/(Decrease)	
	30 June				1 July	
	2019		2018		2017	
	Profit after tax $'000	**Other comprehen-sive income $'000**	Profit after tax $'000	Other comprehen-sive income $'000	Profit after tax $'000	Other comprehen-sive income $'000
Group						
AUD against SGD						
- Strengthened	**-**	**-**	11	64	68	56
- Weakened	**-**	**-**	(11)	(64)	(68)	(56)
NZD against SGD						
- Strengthened	**173**	**405**	428	1,085	218	791
- Weakened	**(173)**	**(405)**	(428)	(1,085)	(218)	(791)
Company						
AUD against SGD						
- Strengthened	**21**	**-**	(129)	-	(2)	-
- Weakened	**(21)**	**-**	129	-	2	-
NZD against SGD						
- Strengthened	**146**	**-**	339	-	184	-
- Weakened	**(146)**	**-**	(339)	-	(184)	-

(ii) Interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's and the Company's interest rate risk arises mainly from borrowings. The borrowings expose the Group to cash flow interest rate risk. The Group seeks to minimise its exposure to these risks by entering into interest rate swaps to hedge the cash flow interest rate risk when considered appropriate.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD and NZD. If the SGD and NZD interest rates had increased/decreased by 0.50% (2018: 0.50%, 1 July 2017: 0.50%) with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by $376,000 (2018: $299,000, 1 July 2017: $96,000) as a result of higher/lower interest expense on these borrowings.

(iii) Price risks

The Group and the Company is exposed to equity securities price risk because of unquoted investments held by the Group and the Company which are classified on the consolidated balance sheet as either financial assets, at FVOCI or available-for-sale financial asset. The Group monitor its investments in equity securities regularly to manage its price risk.

The Group and the Company does not have significant exposure to price risk as it has immaterial investments in equity securities in the current financial year.

In the previous financial year, if the fair value of the Group's investment in unquoted equity securities were to change by 5%, the impact on the other comprehensive income would be approximately $25,000.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's and the Company's major classes of financial assets subject to credit risks are cash and cash equivalents, trade and other receivables, deposits within other current assets, amount due from an associated company and amounts due from subsidiaries. For trade and other receivables, the Group adopts the policy of dealing only with customers and counterparties of appropriate credit history, and obtaining sufficient securities such as deposits and bankers' guarantees where appropriate to mitigate credit risk. Bank deposits were mainly placed with financial institutions which have high credit ratings.

For trade receivables from rental of investment properties, the Group typically collects deposits amounting to one to six months of the monthly lease rental. All late payments are monitored closely and followed up with active chasing and repayment plans or legal action if necessary. The Group also regularly reviews the recoverable amount of each individual's trade receivable to ensure that the adequate impairment losses are made for irrecoverable amounts.

There is no significant concentrations of credit risk from trade debtors due to its diversified customer base.

For other receivables, the Group and the Company regularly monitors and review the payments received. Any late payments will be monitored closely and followed up promptly with active chasing and repayment plans. The Group and the Company regularly reviews the recoverable amount of each individual's other receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

For the Group and the Company, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company		
	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000
Corporate guarantees provided to banks on subsidiaries' loans	**73,443**	-	-

NOTES TO THE FINANCIAL STATEMENTS continued

38. Financial risk management continued

(b) Credit risk continued

The movements in credit loss allowance are as follows:

	Trade receivables[(a)] $'000	Other receivables[(a)] $'000	Total $'000
Group			
Balance at 1 July 2018 under SFRS	(302)	(14)	(316)
Application of SFRS(I) 9 *(Note 2.2)*	-	-	-
Balance at 1 July 2018 under SFRS(I) 9	(302)	(14)	(316)
Loss allowance recognised in profit or loss during the year on:			
- Assets acquired/originated	(40)	(10)	(50)
- Reversal of unutilised amounts	263	-	263
- Changes in credit risk	-	(328)	(328)
	223	(338)	(115)
Receivables written off as uncollectible	(53)	-	(53)
Balance at 30 June 2019	(132)	(352)	(484)
Company			
Balance at 1 July 2018 under SFRS	(205)	(14)	(219)
Application of SFRS(I) 9 *(Note 2.2)*	-	-	-
Balance at 1 July 2018 under SFRS(I) 9	(205)	(14)	(219)
Loss allowance recognised in profit or loss during the year on:			
- Assets acquired/originated	-	(10)	(10)
- Reversal of unutilised amounts	128	-	128
- Changes in credit risk	-	(328)	(328)
	128	(338)	(210)
Receivables written off as uncollectible	-	-	-
Balance at 30 June 2019	(77)	(352)	(429)

[(a)] Loss allowance measured at lifetime ECL

Cash and cash equivalents and amounts due from an associated company are subject to immaterial credit loss.

(i) Trade receivables

In measuring the expected credit losses, trade receivables are grouped based on share credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rate for each category of customers under each business, and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables, and accordingly adjusts the historical rates based on expected changes in these factors. Management has considered, among other factors (including forward-looking information), the Group's and Company's historical loss pattern over the last three financial years and the existence of security deposits and banker's guarantees for its receivables from rental of investment properties.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 30 June 2019 are set out in the provision matrix as follows:

		Past due			
	Current $'000	Less than 3 months $'000	3 to 6 months $'000	Above 6 months $'000	Total $'000
Group					
Trade receivables					
Trade receivables	408	95	102	105	710
Loss allowance	-	(2)	(29)	(101)	(132)
Company					
Trade receivables					
Trade receivables	-	-	-	82	82
Loss allowance	-	-	-	(77)	(77)

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 1 July 2018 are set out in the provision matrix as follows:

		Past due			
	Current $'000	Less than 3 months $'000	3 to 6 months $'000	Above 6 months $'000	Total $'000
Group					
Trade receivables					
Trade receivables	664	198	122	409	1,393
Loss allowance	-	(36)	(26)	(240)	(302)
Company					
Trade receivables					
Trade receivables	-	3	8	288	299
Loss allowance	-	-	(1)	(204)	(205)

NOTES TO THE FINANCIAL STATEMENTS continued

38. Financial risk management continued

(b) Credit risk continued

(ii) Other receivables at amortised cost and amounts due from subsidiaries and an associated company

For other receivables, deposits within other current assets and amounts due from subsidiaries and an associated company, management has considered, among other factors (including forward-looking information), the Group's and Company's historical loss pattern over the last three financial years to assess the expected credit loss.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical payment experience and the corresponding historical credit loss rates and adjusted for forward-looking macroeconomic factors.

These financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about events, including but not limited to significant financial difficulty of the borrower or a breach of contract, such as a default or past due event.

The Group and the Company uses the following categories of internal credit risk rating for its other receivables at amortised cost and amounts due from subsidiaries and an associated company:

Category of internal credit rating	Performing	Under-performing	Non-performing	Write-off
Definition of category	Low risk of default and a strong capacity to meet contractual cash flows	There is a significant increase in credit risk; as significant in credit risk is presumed if interest and/or principal repayment are 30 days past due	Interest and/or principal payments are 90 days past due	Interest and/or principal repayments are past due and there is no reasonable expectation of recovery
Basis of recognition of expected credit loss	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Asset is written off
Group				
Estimated gross carrying amount at default ($'000)	8,770	-	641	-
Loss allowance ($'000)	-	-	(352)	-
Company				
Estimated gross carrying amount at default ($'000)	88,419	-	641	-
Loss allowance ($'000)	-	-	(352)	-

(iii) Financial guarantee contracts

The Company has issued financial guarantee to banks for borrowings of its subsidiaries. These guarantees are subject to impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity and future cash flows to be generated from sale of development properties to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantee.

Previous accounting policy for impairment of trade and other receivables

In 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments (more than 60 days overdue).

The Group's and the Company's credit risk exposure in relation to trade and other receivables under SFRS 39 as at 30 June 2018 and 1 July 2017 are set out as follows:

		Past due			
30 June 2018	Current $'000	Less than 3 months $'000	3 to 6 months $'000	Above 6 months $'000	Total $'000
Group					
Trade receivables					
Gross carrying amount:					
- Not past due	664	-	-	-	664
- Past due but not impaired	-	162	96	169	427
- Past due and impaired	-	36	26	240	302
	664	198	122	409	1,393
Less: Allowance for impairment					(302)
Net carrying amount					1,091
1 July 2017					
Group					
Trade receivables					
Gross carrying amount:					
- Not past due	680	-	-	-	680
- Past due but not impaired	5	290	119	91	505
- Past due and impaired	2	41	132	783	958
	687	331	251	874	2,143
Less: Allowance for impairment					(958)
Net carrying amount					1,185
30 June 2018					
Company					
Trade receivables					
Gross carrying amount:					
- Not past due	-	-	-	-	-
- Past due but not impaired	-	3	7	84	94
- Past due and impaired	-	-	1	204	205
	-	3	8	288	299
Less: Allowance for impairment					(205)
Net carrying amount					94
1 July 2017					
Company					
Trade receivables					
Gross carrying amount:					
- Not past due	-	-	-	-	-
- Past due but not impaired	5	84	117	28	234
- Past due and impaired	2	15	132	757	906
	7	99	249	785	1,140
Less: Allowance for impairment					(906)
Net carrying amount					234

NOTES TO THE FINANCIAL STATEMENTS continued

38. Financial risk management continued

(b) Credit risk continued

Financial assets that are neither past due nor impaired

Financial assets that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group and Company.

Other than the above, there are no credit loss allowance for other financial assets at amortised costs as at 30 June 2018 and 1 July 2017.

(c) Liquidity risk

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
Group			
30 June 2019			
Trade and other payables	**12,797**	**6,745**	**21**
Borrowings	**7,046**	**83,617**	**-**
Future interest payable on borrowings	**3,406**	**4,543**	**-**
30 June 2018			
Trade and other payables	4,319	690	21
Borrowings	60,048	11,977	-
Future interest payable on borrowings	1,109	1,100	-
1 July 2017			
Trade and other payables	4,345	476	13
Borrowings	67,536	6,639	7,076
Future interest payable on borrowings	1,557	1,335	57

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
Company			
30 June 2019			
Trade and other payables	**1,042**	**230**	**-**
Due to subsidiaries	**9,957**	**-**	**-**
Borrowings	**6,805**	**10,174**	**-**
Future interest payable on borrowings	**570**	**760**	**-**
Corporate guarantees	**73,443**	**-**	**-**
30 June 2018			
Trade and other payables	1,372	248	-
Due to subsidiaries	9,161	-	-
Borrowings	1,739	11,977	-
Future interest payable on borrowings	471	1,100	-
1 July 2017			
Trade and other payables	1,628	249	-
Due to subsidiaries	8,589	-	-
Borrowings	1,682	6,639	7,076
Future interest payable on borrowings	475	1,335	57

The Group and Company closely monitors and manages its debt maturity profile, operating cash flows and the availability of funding. The Group maintains a level of cash and cash equivalents deemed adequate by management and ensures flexibility in meeting funding requirements by securing credit facilities.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on gearing ratio.

The total gearing ratio is calculated as total debt divided by total equity. Total debt refers to borrowings (Note 31). Total equity refers to equity attributable to shareholders of the Company, comprising issued capital (Note 32), accumulated losses (Note 33) and other reserves (Note 34).

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 $'000	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Total debt	**90,663**	72,025	81,251	**16,979**	13,176	15,397
Total equity	**75,844**	76,157	63,009	**70,989**	68,944	59,197
Gearing ratio	**120%**	95%	129%	**24%**	19%	26%

The Group and the Company are in compliance with the externally imposed capital requirements for the financial year ended 30 June 2019 and 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS continued

38. Financial risk management continued

(e) Fair value measurements

Assets and liabilities measured and carried at fair value are classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Disclosures of the fair value of available-for-sale financial assets, financial assets at FVOCI and investment properties are set out in Note 17, Note 18 and Note 26 respectively.

The carrying amount less impairment provision of trade and other receivables and payables are assumed to approximate their fair values. The carrying amounts of current borrowings approximate their fair values.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is disclosed on the face of the balance sheet and in Note 17 and 18 to the financial statements, except for the following:

	Group	Company
	$'000	$'000
30 June 2019		
Financial assets, at amortised cost	**13,146**	**89,134**
Financial liabilities, at amortised cost	**110,226**	**28,208**
30 June 2018		
Loans and receivables	6,732	83,041
Financial liabilities, at amortised cost	77,055	24,497
1 July 2017		
Loans and receivables	14,727	73,433
Financial liabilities, at amortised cost	86,085	25,863

39. Related party transactions

The following transactions took place between the Group and related parties during the financial year:

(a) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2019 $'000	2018 $'000
Wages and salaries	**1,770**	1,620
Employer's contribution to defined contribution plans, including Central Provident Fund	**43**	53
	1,813	1,673

Included in the above is total compensation to directors of the Company amounting to $1,111,000 (2018: $1,053,000).

(b) Income and purchases of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions took place between the Group and Company and related parties at terms agreed between the parties during the financial year.

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Subsidiary companies				
- Dividends received/receivable	**-**	-	**4,600**	-
- Management fees received/receivable	**-**	-	**1,864**	-
- Management fees paid/payable	**-**	-	**93**	21
Associated company				
- Royalty income received/receivable	**151**	237	**151**	237
Other related parties				
- Salaries and wages	**-**	30	**-**	-
Directors of the Company				
- Consultancy services provided	**324**	324	**324**	324

Other related parties refer to a close family member of a key management personnel.

Outstanding balances at balance sheet date are disclosed in Notes 19 and 20 respectively.

NOTES TO THE FINANCIAL STATEMENTS continued

40. Segment Information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer that are used to assess business performance.

The Group is organised into business units based on their products and services and has the following reportable operating segments:

a) The Property segment includes property investment, property management and property development activities in New Zealand.

b) Others include Group level corporate services and investments in equity shares in Singapore.

The Food and Beverage segment activities had been disposed of in the current financial year (Note 11) and the comparative figures have been re-presented accordingly. The Search segment activities had ceased in the previous financial year (Note 11) and the comparative figures have been presented as discontinued operations.

2019	Property $'000	Others $'000	Eliminations $'000	Total for continuing operations $'000
Revenue				
External revenue	9,252	-	-	9,252
Inter-segmental revenue	2,331	1,874	(4,205)	-
Total operating revenue	11,583	1,874	(4,205)	9,252
Result				
Segment results	4,266	(3,005)	-	1,261
Interest on borrowings	(2,401)	(1,377)	-	(3,778)
Interest income	266	6	-	272
Share of results of an associated company	-	(24)	-	(24)
(Loss)/profit before income tax	2,131	(4,400)	-	(2,269)
Income tax credit				995
Loss from continuing operations				(1,274)
Other Information				
Segment assets	172,454	17,009	-	189,463
Deferred income tax assets				8
Consolidated total assets				189,471
Additions to:				
- property, plant and equipment	89	75	-	164
Segment liabilities	94,452	18,484	-	112,936
Current income tax liabilities				358
Deferred income tax liabilities				317
Consolidated total liabilities				113,611
Other material non-cash items:				
Depreciation	(31)	(866)	-	(897)
Impairment of other receivables	-	(328)	-	(328)
Allowances for impairment of trade receivables	(30)	-	-	(30)
Fair value losses on investment properties	(1,191)	-	-	(1,191)
Impairment of an associated company	-	(8)	-	(8)
Impairment of club membership	-	(30)	-	(30)

2018	Property $'000	Others** $'000	Eliminations $'000	Total for continuing operations $'000
Revenue				
External revenue	10,345	-	-	10,345
Inter-segmental revenue	3,063	-	(3,063)	-
Total operating revenue	13,408	-	(3,063)	10,345
Result				
Segment results	10,446	(2,911)	-	7,535
Interest on borrowings	(2,595)	(495)	-	(3,090)
Interest income	1	31	-	32
Share of results of associated companies	-	(74)	-	(74)
Profit/(loss) before income tax	7,852	(3,449)	-	4,403
Income tax expense				(810)
Profit from continuing operations				3,593
Other Information				
Segment assets	134,722	874	-	135,596
Assets transferred from discontinued operations *	-	10,398	-	10,398
Segment assets	134,722	11,272	-	145,994
Deferred income tax assets				-
Assets associated with discontinued operations				25,193
Assets transferred to Others *				(10,398)
Assets associated with discontinued operations				14,795
Consolidated total assets				160,789
Segment assets includes:				
Investment in associated companies	-	141	-	141
Additions to:				
- property, plant and equipment	17	389	-	406
Segment liabilities	61,594	1,328	-	62,922
Liabilities transferred from discontinued operations*	-	14,083	-	14,083
Segment liabilities	61,594	15,411	-	77,005
Current income tax liabilities				409
Deferred income tax liabilities				1,648
Liabilities associated with discontinued operations				19,666
Liabilities transferred to Others *				(14,083)
Liabilities associated with discontinued operations				5,583
Consolidated total liabilities				84,645
Other material non-cash items:				
Depreciation	-	(783)	-	(783)
Write back of impairment of trade receivables	1	-	-	1
Allowance for impairment of trade receivables	(45)	-	-	(45)
Fair value gains on investment properties	4,542	-	-	4,542
Deemed loss on disposal of associate	-	(407)	-	(407)
Impairment of available-for-sale financial assets	-	(250)	-	(250)

* Assets and liabilities transferred from discontinued operations to Others pertain to the carrying amount of Braddell House, assets and liabilities associated with the Search Segment and cash and cash equivalents of the Company previously presented under the Search segment.

** Others include Group level corporate services and investment in equity shares in Singapore.

NOTES TO THE FINANCIAL STATEMENTS continued

40. Segment Information continued

Geographical segment

The principal geographical area in which the Group operates is Singapore.

	Operating revenue for continuing operations		Non-current assets for continuing operations		Total assets for continuing operations	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000	**2019 $'000**	2018 $'000
Singapore	**-**	-	**14,617**	9,175	**17,044**	11,167
New Zealand	**9,252**	10,345	**89,563**	92,015	**172,419**	134,717
Others	**-**	-	**-**	110	**-**	110
Total	**9,252**	10,345	**104,180**	101,300	**189,463**	145,994

41. Listing of companies in the Group

Name of companies	Principal activities	Country of business / incorporation	Percentage of equity held		
			30 June		1 July
			2019 %	2018 %	2017 %
Subsidiaries held by the Company					
Gloria Jean's Coffees Holdings Pte Ltd [a][j]	Dormant	Singapore	**100**	100	100
GYP Investments Pte Ltd [a]	Dormant	Singapore	**100**	100	100
GYP Real Estate Pte Ltd [a]	Property management and investment holding	Singapore	**100**	100	100
Singapore River Explorer Pte Ltd [a] [c]	Dormant	Singapore	**50**	50	50
SG Innovation Hub Pte Ltd [a]	Property management services	Singapore	**-**	-	100
Subsidiaries held by subsidiaries					
SG Innovation Hub Pte Ltd [a]	Property management services	Singapore	**100**	100	-
Pakuranga Plaza Limited [b]	Investment holding and rental of investment properties	New Zealand	**100**	100	100

Name of companies	Principal activities	Country of business / incorporation	Percentage of equity held		
			30 June		1 July
			2019 %	2018 %	2017 %
Pakuranga Plaza Management Limited [b]	Property management services	New Zealand	**100**	100	100
Pakuranga Town Centre Development Limited [b]	Property investment and development	New Zealand	**100**	100	100
Global Food Retail Group Pte Ltd [a] [l] [m]	Leasing of non-financial intangible assets	Singapore	**-**	100	100
Remarkables Residences Limited [b][e]	Property investment and development	New Zealand	**100**	100	100
Bellfield Estate Limited [f]	Property investment and development	New Zealand	**100**	100	-
Bellfield Retail Investment Limited [f]	Property investment and rental of investment properties	New Zealand	**100**	100	-
FP Network Pte Ltd [a]	Investment holding	Singapore	**100**	100	-
Supatreats Asia Pte Ltd [d] [g] [m]	Investment holding	Singapore	**-**	100	100
Supatreats Australia Holdings Pty Ltd [d] [g]	Investment holding	Australia	**-**	100	100
Supatreats Australia Pty Ltd [d] [g] [m]	Retail franchise	Australia	**-**	100	100
Supatreats Australia Supplies Pty Ltd [d] [g] [m]	Supply chain business	Australia	**-**	100	100
Supatreats Australia Leases Pty Ltd [d] [g]	Dormant	Australia	**-**	100	100
Supatreats Global Supplies Pte Ltd [d] [g] [m]	Supply chain business	Singapore	**-**	100	100
Retail Leases Pty Ltd [d] [g]	Dormant	Australia	**-**	100	100
Supatreats NZ Limited [f]	Retail franchise	New Zealand	**-**	100	-
Retail Leases Limited [f]	Dormant	New Zealand	**-**	100	-
Pauanui Lakes Development Limited [f]	Property investment and development	New Zealand	**100**	100	-
Associated companies held by the Company					
Forward Media Sdn Bhd [h]	Dormant	Brunei	**-**	50	50
Global Coresoft Pte Ltd [i]	Dormant	Singapore	**-**	-	50
Yellow Pages Pte Ltd [k]	Provision of telecommunication activities and other publishing activities	Singapore	**20**	20	-
Joint venture held by subsidiary					
Global Aimers Pte Ltd [i]	Dormant	Singapore	-	-	50

(a) Audited by PricewaterhouseCoopers LLP, Singapore.
(b) Audited by PricewaterhouseCoopers network firm outside Singapore.
(c) The Company has control over the operating and financial policies of the subsidiary.
(d) Audited by BDO LLP in the previous financial year.
(e) Not required to be audited in the country of incorporation in the previous financial year.
(f) Not required to be audited in the country of incorporation.
(g) In accordance to Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that the appointment of different auditors for its subsidiaries would not compromise the standards and effectiveness of the audit of the Group.
(h) Liquidated in the current financial year.
(i) Struck off from the Register in August 2018.
(j) Not audited in previous financial year as company was dormant.
(k) Audited by L&L Assurance PAC.
(l) Audited by PricewaterhouseCoopers LLP, Singapore in the previous financial year. In the current financial year, the Group disposed of 100% of its shareholdings in Global Food Retail Group Pte Ltd and its subsidiaries.
(m) Audited by PricewaterhouseCoopers LLP, Singapore for the results up till the Group's disposal of its interest in the entity on 30 November 2018.

NOTES TO THE FINANCIAL STATEMENTS continued

42. Events occurring after balance sheet date

On 16 August 2019, the Group announced that it has entered into a sales and purchase agreement with a non-related party, YPPY Pte Ltd for the sale of 60,000 ordinary shares in the capital of Yellow Pages Pte. Ltd. ("YP"), constituting the Group's entire interest in YP, and certain intellectual property rights ("IP rights") for a cash consideration of $65,000. Following the sales, the Group recognised a gain of $65,000 from disposal of its interest in YP and the IP Rights in the financial year ended 30 June 2020.

43. New accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2019 and which the Group has not early adopted:

(a) SFRS(I) 16 Leases (effective for annual periods beginning on or after 1 January 2019)

SFRS(I) 16 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group will apply the standard from its mandatory adoption date of 1 July 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

As at 30 June 2019, the Group has non-cancellable operating lease commitments of $19,000 [Note 37(b)]. Of these commitments, approximately $19,000 relate to short-term leases and low-value leases which will both be recognised on a straight-line basis as expense in profit or loss.

The Group does not expect any significant impact on the financial statements from its activities as a lessor. However, some additional disclosures will be required from next financial year.

(b) SFRS(I) INT 23 Uncertainty Over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

(i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

(ii) that the entity should assume a tax authority will examine, the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

(iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

(iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

(v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group does not expect additional tax liability to be recognised on the adoption of the interpretation on 1 July 2019.

44. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of GYP Properties Limited (formerly known as Global Yellow Pages Limited) on 25 September 2019.

ADDITIONAL INFORMATION

For the financial year from 1 July 2018 to 30 June 2019

A. Material contracts

There were no other material contracts entered into by the Company or any of its subsidiaries involving the interests of the Chief Executive Officer, any Director or controlling shareholder, 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 except those disclosed in the interested person transaction in (E).

B. Auditors' remuneration

	Group	
	2019 S$'000	2018 S$'000
Audit fees paid/payable to:		
- Auditors of the Company	**148**	159
- Other auditors*	**68**	110
	216	269
Non-audit fees paid/payable to:		
- Auditors of the Company	**12**	23
- Other auditors*	**31**	43
	43	66

* Includes the network of member firm of PricewaterhouseCoopers International Limited (PwCIL)

C. Directors' remuneration

The following information relates to remuneration of directors of the Company during the financial year:

	2019	2018
Number of directors of the Company in remuneration bands:		
- S$500,000 to below S$750,000	**1**	1
- below S$250,000	**5**	4
Total	**6**	5

D. Properties of the Group

Location	Existing use	Tenure	Gross floor area (sq m)	Effective Group interest
1 Lorong 2 Toa Payoh, Braddell House, Singapore	Headquarters	60 Year lease with effect from 26 July 1969	13,416	100%
10 Aylesbury Street & 167 Pakuranga Road, Pakuranga, Auckland, New Zealand	Retail shopping mall including outdoor Warehouse Plaza and office space in a four-storey standalone Plaza Business Centre Total land area: 39,209 sqm	Freehold	29,568	100%
169 Pakuranga Road, Pakuranga, Auckland, New Zealand	Land for development	999-year lease	1,001	100%
171 Pakuranga Road, Pakuranga, Auckland, New Zealand	Land for development	999-year lease	1,002	100%
Eastern Access Road, Queenstown, New Zealand	Development of Phase 1 of Remarkables Residences	Freehold	9,621	100%
	Balance are land for development. Total land area: 38,400 sqm	Freehold	N.A.	100%
117 Opaheke Road, Opaheke, Papakura, Auckland, New Zealand	Land for development Total land area: 218,400 sqm	Freehold	N.A.	100%

ADDITIONAL INFORMATION continued

E. Interested person transactions

Name of interested person	Aggregated value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 each) — Transactions not conducted under shareholders' mandate pursuant to Rule 920		Transactions conducted under shareholders' mandate pursuant to Rule 920	
	2019 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'000
Professional services provided by				
Mah Bow Tan	**144**	144	**-**	-
Andrew Tay Gim Chuan	**180**	180	**-**	-

F. Use of proceeds

As at 30 June 2019, the status of the utilisation of the proceeds raised from the Company's placement and the right issue exercise is as follows:

Use of Placement Proceeds	**Allocation of Placement Proceeds (S$'000)**	**Placement Proceeds utilised (S$'000)**	**Balance of Placement Proceeds (S$'000)**
Expenses[(1)]	12	12	-
Acquisition	4,788	4,788[(2)]	-
Total	4,800	4,800	-

Use of Rights Issue Proceeds	**Allocation of Rights Issue Proceeds (S$'000)**	**Rights Issue Proceeds utilised (S$'000)**	**Balance of Rights Issue Proceeds (S$'000)**
Expenses[(1)]	95	95	-
Acquisition	8,269	8,269[(2)]	-
Total	8,364	8,364	-

Notes:
(1) Expenses incurred relate to professional fees and listing fees.
(2) This amount was used to satisfy in part the First Instalment for the acquisition of the land in Papakura, New Zealand.

The above utilisation is in accordance with the intended use of proceeds and with the percentage allocated as stated in the Company's announcements and the Offer Information Statement dated 1 June 2018 lodged by the Company with the Monetary Authority of Singapore.

STATISTICS OF SHAREHOLDINGS

As at 16 September 2019

Share capital

Number of Issued Shares	275,835,089
Number of Issued Shares (excluding treasury shares)	274,920,818
Number of Treasury Shares	914,271 (0.33%)
Share Capital	S$95,347,640.71**
Class of Shares	Ordinary Shares
Voting Rights (excluding treasury shares)	On a poll – one vote for every ordinary share

**This is based on records kept with the Accounting and Corporate Regulatory Authority ("ACRA") and differs from the accounting records of the Company which is S$92,702,000 due to certain share issue expenses.

Distribution of shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares (excluding treasury share)	%
1 - 99	151	4.74	1,578	0.00
100 - 1,000	938	29.48	386,194	0.14
1,001 - 10,000	1,233	38.75	5,402,488	1.97
10,001 - 1,000,000	834	26.21	48,192,967	17.53
1,000,001 and above	26	0.82	220,937,591	80.36
Total	**3,182**	**100.00**	**274,920,818**	**100.00**

STATISTICS OF SHAREHOLDINGS continued

As at 16 September 2019

Substantial shareholders

Name	No. of Shares			% of Share Capital of the Company[1]
	Direct Interests	Deemed Interests	Total Interest	
Mah Bow Tan	24,000,000	600,000[2]	24,600,000	8.95
Pang Yoke Min	29,353,740	-	29,353,740	10.68
Kathlyn Tan Jiling	12,000,000	10,200,00[3]	22,200,000	8.07
Yong Yin Min	26,313,690	-	26,313,690	9.57
Oregold Pte Ltd	23,021,400	-	23,021,400	8.37
Goi Seng Hui	16,999,319	23,021,400[4]	40,020,719	14.55

Notes:

[1] Based on the issued share capital of the Company comprising 274,920,818 Shares (excluding 914,271 treasury shares) as at 16 September 2019.

[2] Mah Bow Tan is deemed interested in the shares of the Company held by his spouse, Dr Sheryn Mah by virtue of Section 164 of the Companies Act, Cap. 50.

[3] Kathlyn Tan Jiling holds a 50% shareholding interest in Rumah Group Pte. Ltd. ("RG") and is therefore deemed to be interested in RG's shareholdings in the Company by virtue of section 4 of the Securities and Futures Act ("SFA").

[4] Goi Seng Hui is the sole shareholder of Oregold Pte. Ltd., and is therefore deemed to be interested in the 23,021,400 shares in the Company held by Oregold Pte. Ltd. by virtue of Section 4 of the SFA.

Twenty largest shareholders

As shown in the Register of Members and Depository Register

	No. of Shares	%
PANG YOKE MIN	29,353,740	10.68
DBS NOMINEES (PRIVATE) LIMITED	26,828,520	9.76
YONG YIN MIN	26,313,690	9.57
DB NOMINEES (SINGAPORE) PTE LTD	24,600,000	8.95
OREGOLD PTE LTD	23,021,400	8.37
GOI SENG HUI	16,999,319	6.18
RAFFLES NOMINEES (PTE.) LIMITED	12,901,410	4.69
HSBC (SINGAPORE) NOMINEES PTE LTD	11,438,850	4.16
OCBC SECURITIES PRIVATE LIMITED	10,276,878	3.74
RUMAH GROUP PTE LTD	10,200,000	3.71
LAW XIAOWAN	4,096,000	1.49
CITIBANK NOMINEES SINGAPORE PTE LTD	3,690,980	1.34
UOB KAY HIAN PRIVATE LIMITED	2,037,800	0.74
HONG LEONG FINANCE NOMINEES PTE LTD	1,979,200	0.72
MAYBANK KIM ENG SECURITIES PTE. LTD.	1,952,870	0.71
KGI SECURITIES (SINGAPORE) PTE. LTD	1,906,003	0.69
TEOH AH LECK @ TEO WENG WAH	1,840,000	0.67
FIRSTLINK INVESTMENTS CORPORATION LIMITED	1,500,000	0.55
UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,383,075	0.50
CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	1,343,249	0.49
Total	**213,662,984**	**77.71**

Based on the information available to the Company as at 16 September 2019, approximately 40.07% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual issued by the SGX-ST has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 16TH ANNUAL GENERAL MEETING of the Company will be held at 450 Lorong 6 Toa Payoh, APAC Centre 1 (formerly known as Hersing Centre) Auditorium Level 3, Singapore 319394 on Wednesday, 30 October 2019 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2019 together with the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Article 91(b) of the Company's Articles of Association:

(i) Mr Tay Gim Chuan Andrew **(Resolution 2)**
(ii) Mr Stanley Tan Poh Leng **(Resolution 3)**

(See Explanatory Note 1)

3. To approve the payment of Directors' fees of S$293,000 for the financial year ended 30 June 2019. (2018: S$275,000) **(Resolution 4)**

4. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolution with or without modifications:

5. AUTHORITY TO ALLOT AND ISSUE SHARES

"(A) That, pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), approval be and is hereby given to the Directors of the Company to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and/or

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues,

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

(B) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while the authority was in force,

provided always that

(a) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of 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 (a) above, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed; and

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

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and unless revoked or varied by the Company in 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 the earlier." **(Resolution 6)**

(See Explanatory Note 2)

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

By Order of the Board

Lee Wei Hsiung
Company Secretary

Date: 14 October 2019

Notes

1) (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting ("AGM"). Where such member appoint two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

(b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company.

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

NOTICE OF ANNUAL GENERAL MEETING continued

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

3) The instrument appointing a proxy must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 48 hours before the time appointed for the Meeting.

Explanatory note

1) Mr Tay Gim Chuan Andrew will, upon re-election as a Director of the Company, remain as Lead Independent Director, Chairman of the Audit and Nominations Committees and a member of the Remuneration Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Mr Tay Gim Chuan Andrew and Mr Stanley Tan Poh Leng have offered themselves for re-election. Mr Tay Gim Chuan Andrew and Mr Stanley Tan Poh Leng have each confirmed that, they do not have any relationships (including immediate family relationships) with the other Directors, the Company or its 10% shareholders. The current directorships in other listed companies and details of other principal commitments held by each of these Directors are set out on pages 31 to 33 of this Annual Report.

2) The Ordinary Resolution 6, if passed, will authorise and empower the Directors from the date of this Meeting until the conclusion of the next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held, or when revoked or varied by the Company in general meeting, whichever is earlier, to allot and issue shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum as set out in the resolution.

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.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

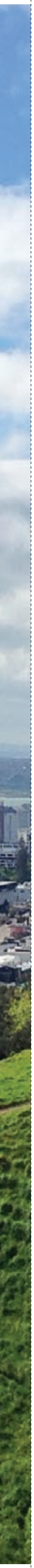
Mr Tay Gim Chuan Andrew and Mr Stanley Tan Poh Leng are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 30 October 2019 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR TAY GIM CHUAN ANDREW	MR STANLEY TAN POH LENG
Date of Appointment	12 December 2007	6 February 2007
Date of last re-appointment	28 October 2016	26 October 2017
Age	65	63
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Tay Gim Chuan Andrew ("Andrew Tay") for re-appointment as Lead Independent Director of the Company. The Board have reviewed and concluded that Andrew Tay possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Stanley Tan Poh Leng ("Stanley Tan") for re-appointment as a Director of the Company. The Board have reviewed and concluded that Stanley Tan possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Stanley Tan is responsible for the overall business and general management of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the Audit and Nominations Committee and member of the Remuneration Committee	Non-independent Executive Director
Professional qualifications	Bachelor of Business Administration	None
Working experience and occupation(s) during the past 10 years	Andrew Tay was previously the Regional Head of Institutional Banking for South East Asia and India, covering bank and non-bank financial institutions for Standard Chartered Bank. From 2001 to 2003, Andrew Tay was the Executive Director of ABR Holdings Limited.	Stanley Tan has more than three decades of real estate investment experience in Singapore, New Zealand and Australia; comprising townships, commercial, retail, hotel, industrial and residential developments. Stanley Tan remains a Director of private investment companies, The Angliss Property Group and Rumah Group, both of which have focuses in property investment.
Shareholding interest in the listed issuer and its subsidiaries	No	Direct interest: 9,732,900

	MR TAY GIM CHUAN ANDREW	MR STANLEY TAN POH LENG
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	Stanley Tan is father of Ms Kathyln Tan Jiling, Corporate Marketing Director of GYPP.
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships:		
Past (for the last 5 years)	Divina Gloria Asset Management Pte Ltd Global Coresoft Pte. Ltd. Global Cyone Pte. Ltd. Global Hubone Pte. Ltd. Global Food Retail Group Pte. Ltd. Supatreats Asia Pte. Ltd. Supatreats Global Supplies Pte. Ltd.	Global Aimers Pte. Ltd. Global Coresoft Pte. Ltd. Global Cyone Pte. Ltd. Global Hubone Pte. Ltd. Gloria Jean's Coffees Global Pte. Ltd. Global Food Retail Group Pte. Ltd. M.I.L.K. (Mainly I love Kids) Foundation Retail Leases Ltd Supatreats Asia Pte. Ltd. Supatreats Global Supplies Pte. Ltd.
Present	SG Innovation Hub Pte. Ltd. Gloria Jean's Coffees Holdings Pte. Ltd. GYP Real Estate Pte. Ltd. GYP Investments Pte. Ltd. FP Networks Pte. Ltd. Pakuranga Plaza Limited Pakuranga Plaza Management Limited Pakuranga Town Centre Development Limited Remarkables Residences Limited Pauanui Lakes Development Limited Mainly I Love Kids (International) Ltd	Aces Care Limited Asia NZ Foundation Asia Philanthrophy Circle Ltd Babes Pregnancy Crisis Support Ltd Bellfield Estate Limited Bellfield Retail Investment Limited FP Networks Pte. Ltd. Rumah Group Pte Ltd Gloria Jean's Coffees Holdings Pte Ltd Grand Pacific Investments Pte Ltd GTG Solutions Asia Pacific Pte Ltd GYP Investments Pte. Ltd. GYP Real Estate Pte Ltd John Wilter Pte Ltd Keynes Investments Pte Ltd KTJ Investments Pte Ltd Mainly I Love Kids (International) Limited Marketing Incorporated Pte Ltd MILK (Mainly I Love Kids) Fund Mission House Investment Pte Ltd Pauanui Lakes Development Limited Pakuranga Plaza Limited Pakuranga Plaza Management Limited Pakuranga Town Centre Development Limited Remarkables Residences Limited SG Innovation Hub Pte. Ltd. Singapore River Explorer Pte Ltd South Central Community Family Service Centre Limited The Peak Club The Private Club
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

	MR TAY GIM CHUAN ANDREW	MR STANLEY TAN POH LENG
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: –		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No



PROXY FORM
ANNUAL GENERAL MEETING

GYP PROPERTIES LIMITED

Company Registration No. 200304719G (Incorporated in the Republic of Singapore)

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 2(b) for the definition of "Relevant Intermediary").
2. For investors who have used their CPF monies to buy the Shares of GYP Properties Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF investors who wish to attend and vote at the Meeting, should contact their respective CPF Approved Nominees within the time frame specified.

* I/We ______________________ Name NRIC No ______________

Of ____ Address

being a *member/members of GYP Properties Limited (the "Company"), hereby appoint

Name	Address	NRIC/Passport No	Proportions of shareholdings (%)

☐ and ☐ or (Tick as appropriate)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the 16th Annual General Meeting of the Company to be held at 450 Lorong 6 Toa Payoh, APAC Centre 1 (formerly known as Hersing Centre) Auditorium Level 3, Singapore 319394 on Wednesday, 30 October 2019 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions set out in the Notice of Annual General Meeting as indicated hereunder. In the absence of specific instructions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.

Resolution No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2019 together with the Directors' Statement and the Auditors' Report thereon.		
2.	To re-elect Mr Tay Gim Chuan Andrew as Director.		
3.	To re-elect Mr Stanley Tan Poh Leng as Director.		
4.	To approve Directors' fees of S$293,000 for the financial year ended 30 June 2019.		
5.	To re-appoint Auditors and to authorise the Directors to fix their remuneration.		
6.	To approve the proposed share issue mandate.		

* 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.

Dated this ______ day of ______________ 2019

Total Number of Ordinary Shares Held ______

Signature(s)/Common Seal of Members

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes

1. If you have Ordinary Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Ordinary Shares. If you have Ordinary Shares registered in your name in the Register of Members, you should insert that number of Ordinary Shares. If you have Ordinary Shares entered against your name in the Depository Register and Ordinary Shares registered in your name in the Register of Members, you should insert the aggregate number of Ordinary 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 Proxy Form shall be deemed to relate to all the Ordinary Shares held by you.

2. **(a)** A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where such member appoint two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

(b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company.

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

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

4. The Proxy Form must be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Annual General Meeting.

5. 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 Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General

The Company shall be entitled to reject the Proxy Form 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 Proxy Form. In addition, in the case of Ordinary Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Ordinary Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General 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 14 October 2019.

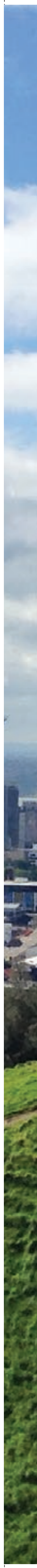
Fold here

Proxy Form

Affix
Postage
Stamp

The Company Secretary
GYP Properties Limited
1 Lorong 2 Toa Payoh, Braddell House
Singapore 319637

Fold here



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