

IMPERIUM CROWN LIMITED

(The “Company”)



**Condensed Interim Financial Statements
For the Six Months
Ended 31 December 2022**

14 February 2023

Company Registration Number: 1995-05053-Z

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Note:

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

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group 6 months ended 31 December		Increase/ (Decrease) %
		2022 Unaudited S\$'000	2021 Unaudited S\$'000	
Revenue	4	364	–	*n.m
Other income		–	11	*n.m
Depreciation and amortisation expenses		(27)	(23)	17.4
Employee benefits expense		(390)	(409)	(4.6)
Other operating expenses		(438)	(134)	>100.0
Finance costs		–	(2)	*n.m
Loss before tax from continuing operations	6	(491)	(557)	(11.8)
Income tax		–	–	–
Loss from continuing operations, net of tax		(491)	(557)	(11.8)
Loss from discontinued operations, net of tax[#]	7	(1,011)	(1,638)	(38.3)
		(1,502)	(2,195)	(31.6)
<u>Other comprehensive income</u>				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations, net of tax		(117)	114	*n.m
Other comprehensive loss for the period, net of tax		(117)	114	*n.m
Total comprehensive loss for the period		(1,385)	(2,081)	(33.4)
Net loss attributable to:				
Equity holders of the Company		(902)	(1,445)	(37.6)
Non-controlling interests		(600)	(750)	(19.9)
		(1,502)	(2,195)	(31.5)
Total comprehensive loss attributable to:				
Equity holders of the Company		(792)	(1,332)	(40.5)
Non-controlling interests		(593)	(749)	(20.8)
		(1,385)	(2,081)	(33.4)
Loss per share				
Currency unit		Cents	Cents	
Basic and diluted		(0.11)	(0.18)	

*n.m. – not meaningful

[#] SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations is applied following the Group entering into agreements to dispose of certain non-current assets. Please refer to section E (*Notes to the condensed interim consolidated financial statements*) under Note 7 (*Assets held for sale*) for further information.

B. Condensed interim statement of financial position

		Group			Company		
		31 December 2022	30 June 2022	Increase/ (Decrease)	31 December 2022	30 June 2022	Increase/ (Decrease)
		S\$'000	S\$'000		S\$'000	S\$'000	
	Note	Unaudited	Audited	%	Unaudited	Audited	%
ASSETS							
Non-current assets							
Property, plant and equipment	9	255	13,979	(98.2)	8	31	(74.2)
Intangible assets	10	–	6,983	*n.m	–	–	–
Amount due from subsidiaries		–	–	–	3,111	3,111	–
Investments in subsidiaries		–	–	–	6,057	6,006	0.8
Total non-current assets		<u>255</u>	<u>20,962</u>	(1.3)	<u>9,176</u>	<u>9,148</u>	0.3
Current assets							
Assets held for sale	7	19,821	–	*n.m	–	–	–
Trade and other receivables		1,152	1,163	(0.9)	26	26	–
Cash and cash equivalents		166	405	(59.0)	128	337	(62.3)
Total current assets		<u>21,139</u>	<u>1,568</u>	>100.0	<u>154</u>	<u>363</u>	(57.6)
Total assets		<u>21,394</u>	<u>22,530</u>	(5.0)	<u>9,330</u>	<u>9,511</u>	(1.9)
EQUITY AND LIABILITIES							
Equity							
Share capital	11	84,190	84,190	–	84,190	84,190	–
Treasury shares		(58)	(58)	–	(58)	(58)	–
Accumulated losses		(83,724)	(82,822)	1.1	(81,440)	(80,841)	(0.7)
Other reserves		2,855	2,763	3.3	4,598	4,598	–
		<u>3,263</u>	<u>4,073</u>	(19.9)	<u>7,290</u>	<u>7,889</u>	(7.6)
Non-controlling interests		1,066	1,667	(36.1)	–	–	–
Total equity		<u>4,329</u>	<u>5,740</u>	(24.6)	<u>7,290</u>	<u>7,889</u>	(7.6)
Current liabilities							
Income tax payable		–	102	*n.m	–	–	–
Trade and other payables		17,057	16,657	2.4	2,032	1,591	27.7
Lease liability, current		8	31	74.2	8	31	(74.2)
Total current liabilities		<u>17,065</u>	<u>16,790</u>	1.6	<u>2,040</u>	<u>1,622</u>	25.8
Total liabilities		<u>17,065</u>	<u>16,790</u>	1.6	<u>2,040</u>	<u>1,622</u>	25.8
Total equity and liabilities		<u>21,394</u>	<u>22,530</u>	(5.0)	<u>9,330</u>	<u>9,511</u>	(1.9)

*n.m. – not meaningful

C. Condensed interim statement of changes in equity

← Attributable to owners of the Company →

	Share capital	Foreign currency translation reserve	Treasury shares	Share options reserves	Accumulated losses	Total	Non-Controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance as at 1 July 2021 (Audited)	84,190	(1,873)	(58)	4,598	(40,919)	45,938	36,439	82,377
Total comprehensive loss	–	113	–	–	(1,445)	(1,332)	(749)	(2,081)
Balance as at 31 December 2021 (Unaudited)	84,190	(1,760)	(58)	4,598	(42,364)	44,606	35,690	80,296
Total comprehensive loss	–	(75)	–	–	(40,458)	(40,533)	(34,023)	(74,556)
Balance as at 30 June 2022 (Audited)	84,190	(1,835)	(58)	4,598	(82,822)	4,073	1,667	5,740
Total comprehensive loss	–	92	–	–	(902)	(810)	(601)	(1,411)
Balance as at 31 December 2022 (Unaudited)	84,190	(1,743)	(58)	4,598	(83,724)	3,263	1,066	4,329

C. Condensed interim statement of changes in equity (cont'd)

	Share capital	Treasury shares	Share options reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Company</u>					
Balance as at 1 July 2021 (Audited)	84,190	(58)	4,598	(47,650)	41,080
Loss, net of tax	–	–	–	(557)	(557)
Balance as at 31 December 2021 (Unaudited)	84,190	(58)	4,598	(48,207)	40,523
Loss, net of tax	–	–	–	(32,634)	(32,634)
Balance as at 30 June 2022 (Audited)	84,190	(58)	4,598	(80,841)	7,889
Loss, net of tax	–	–	–	(599)	(599)
Balance as at 31 December 2022 (Unaudited)	84,190	(58)	4,598	(81,440)	(7,290)

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	
	31 December	31 December
	2022	2021
	Unaudited	Unaudited
	S\$'000	S\$'000
Cash Flows From Operating Activities		
Loss before tax		
- Continuing operations	(491)	(557)
- Discontinued operations (Note 7)	(1,011)	(1,900)
Adjustments for:		
Depreciation of property, plant and equipment	650	736
Amortisation of intangible assets	202	1,155
Finance costs	-	1
Loss on disposal of property, plant and equipment	-	205
Unrealised currency translation gain	74	84
Operating cash flows before changes in working capital	(576)	(276)
Trade and other receivables	11	770
Trade and other payables	150	(574)
Net cash flows used in operations	(415)	(80)
Income taxes paid	-	-
Net cash flows used in operating activities	(415)	(80)
Cash Flows From Investing Activities		
Acquisition of subsidiary	(51)	-
Purchase of property, plant and equipment	-	(17)
Net cash flows used in investing activities	(51)	(17)
Cash Flows From Financing Activities		
Lease liabilities	(23)	(23)
Advances from / (repayment to) related parties	250	(108)
Interest paid	-	(1)
Net cash flows (used in)/from financing activities	227	(132)
Net decrease in cash and cash equivalents	(239)	(229)
Cash and cash equivalents at beginning of year	405	321
Cash and cash equivalents, consolidated statement of cash flows, end of financial year	166	92

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Imperium Crown Limited (the “**Company**”) is a public company incorporated in Singapore and limited by shares. The condensed interim financial statements as at and for the six months ended 31 December 2022 are presented in Singapore dollars (“**S\$**”), cover the Company and its subsidiaries (collectively the “**Group**”), any unless otherwise stated, amounts stated herein have been rounded to the nearest thousand.

The Company is an investment holding company and listed on Catalist, which is a shares market of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

As of the period ended 31 December 2022, the principal activities of its subsidiaries are:

- (a) Tourism development and tourism management services;
- (b) Real estate development;
- (c) Hotel management services;
- (d) Interior design business.

On 19 August 2022, the Company completed the acquisition of 51% of the shares in Winco Construct & Décor Pte Ltd (“**Winco**”) which is engaged in the interior design business.

On 27 January 2023, the Company convened an extraordinary general meeting (the “**EGM**”) and obtained the approval of its shareholders to dispose of (a) the land use rights in respect of 2 plots of land located in the Shandong province of the People’s Republic of China (the “**PRC**”); and (b) the Wonder Stone Hotel and land use rights in respect of the land on which the Wonder Stone Hotel is situated (the “**Proposed Disposals**”), and to diversify the business of the Group into the interior design business (the “**Diversification**”).

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

2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited annual financial statements for the year ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in section E (*Notes to the condensed interim consolidated financial statements*) under Note 2.1 (*New and amended standards adopted by the Group*).

The condensed interim financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative

treatment (such as fair values) as disclosed where appropriate in these condensed interim financial statements.

The condensed interim financial statements are presented in Singapore dollars which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 30 June 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates and assumptions 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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 7 (*Assets held for sale*)

3. Seasonal operations

The Group's businesses experienced an increase in visitors during the major holidays in the People's Republic of China. Except for the above, the Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period ended 31 December 2022.

4. Segment and revenue information

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

For management purposes for the six months ended 31 December 2022, the Group is organised into three major operating segments: (i) leisure and hospitality segment, (ii) interior design segment, and (iii) others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision makers, our Executive Chairman, and Chief Financial Officer and Executive Director, in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

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

- (i) The leisure and hospitality segment is those of tourism development and tourism management services.
- (ii) The interior design segment is those of engaging in the planning, renovation, refurbishment or renewal of development properties.
- (iii) Other segment is those of corporate office function and investment holdings.

For the purposes of presentation as prescribed under SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations, the leisure and hospitality segment has been presented as discontinued operations and the interior design segment has been presented as continuing operations in these condensed interim financial statements for the six months ended 31 December 2022.

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

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

4B. Profit or Loss from Continuing Operations and Reconciliations

	<u>Discontinued</u> <u>operations</u>	<u>Continuing operations</u>		Group S\$'000
	Leisure and hospitality S\$'000	Interior design S\$'000	Unallocated segment S\$'000	
From 1 July 2022 to 31 December 2022 (Unaudited)				
Sales to external customers	755	364	–	1,119
Recurring EBITDA	(174)	112	(576)	(638)
Depreciation and amortisation expenses	(837)	(4)	(23)	(864)
ORBIT	(1,011)	108	(599)	(1,502)
Interest income	–	–	–	–
Finance costs	–	–	–	–
(Loss) / profit before tax	(1,011)	108	(599)	(1,502)
Income tax expense	–	–	–	–
(Loss) / profit after tax	(1,011)	108	(599)	(1,502)
From 1 July 2020 to 31 December 2021 (Unaudited)				
Sales to external customers	1,061	–	–	1,061
Recurring EBITDA	181	–	(541)	(360)
Depreciation and amortisation expenses	(2,073)	–	(23)	(2,096)
ORBIT	(1,892)	–	(564)	(2,456)
Interest income	–	–	–	–
Finance costs	–	–	(1)	(1)
Loss before tax	(1,892)	–	(565)	(2,457)
Income tax expense	262	–	–	262
Loss after tax	(1,630)	–	(565)	(2,195)

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

4C. Assets and Reconciliations

As at 31 December 2022 (Unaudited)	<u>Discontinued</u> <u>operations</u>	<u>Continuing operations</u>		Group S\$'000
	Leisure and hospitality S\$'000	Interior design S\$'000	Unallocated segment S\$'000	
Total assets for reportable segment				
- Property, plant and equipment	183	41	31	255
- Assets held for sale	19,821	–	–	19,821
- Trade and other receivables	943	183	26	1,152
- Cash and cash equivalents	37	1	128	166
Total				21,394

As at 30 June 2022 (Audited)	<u>Discontinued</u> <u>operations</u>	<u>Continuing operations</u>		Group S\$'000
	Leisure and hospitality S\$'000	Interior design S\$'000	Unallocated segment S\$'000	
Total assets for reportable segment				
- Property, plant and equipment	13,948	–	31	13,979
- Intangible assets	6,983	–	–	6,983
- Trade and other receivables	1,137	–	26	1,163
- Cash and cash equivalents	68	–	337	405
Total				22,530

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

4D. Liabilities and Reconciliations

As at 31 December 2022 (Unaudited)	<u>Discontinued</u> <u>operations</u>	<u>Continuing operations</u>		Group S\$'000
	Leisure and hospitality S\$'000	Interior design S\$'000	Unallocated segment S\$'000	
Total liabilities for reportable segment				
- Trade and other payables	14,960	116	1,981	17,057
- Lease liability, current	–	–	8	8
Total				17,065

	<u>Discontinued</u> <u>operations</u>	<u>Continuing operations</u>		Group S\$'000
	Leisure and hospitality S\$'000	Interior design S\$'000	Unallocated segment S\$'000	
As at 30 June 2022 (Audited)				
Total liabilities for reportable segment				
- Income tax payable	102	-	-	102
- Trade and other payables	15,066	-	1,591	16,657
- Lease liability, current	-	-	31	31
Total				<u><u>16,790</u></u>

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

4E. Geographical information

	Group	
	6 months ended 31 December 2022 (Unaudited) S\$'000	2021 (Unaudited) S\$'000
Revenue		
- PRC	755	1,061
- Singapore	364	-
	<u>1,119</u>	<u>1,061</u>

	Group	
	As at 31 December 2022 (Unaudited) S\$'000	As at 30 June 2022 (Audited) S\$'000
Non-current assets		
- PRC	183	20,931
- Singapore	72	31
	<u>255</u>	<u>20,962</u>

Revenues are attributed to countries on the basis of our customers' locations. The assets are analysed by the geographical areas in which the assets are located.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 30 June 2022:

	<u>Group</u>		<u>Company</u>	
	31 December 2022 S\$'000	30 June 2022 S\$'000	31 December 2022 S\$'000	30 June 2022 S\$'000
<u>Financial assets</u>				
- Discontinuing operations at amortised cost	980	-	-	-
at fair value through profit or loss	19,821	-	-	-
- Continuing operations at amortised cost	338	1,568	3,265	3,474
	<u>21,139</u>	<u>1,568</u>	<u>3,265</u>	<u>3,474</u>
<u>Financial liabilities</u>				
- Discontinuing operations at amortised cost	14,960	-	-	-
- Continuing operations at amortised cost	2,105	16,688	2,040	1,622
	<u>17,065</u>	<u>16,688</u>	<u>2,040</u>	<u>1,622</u>

6. Loss before taxation

6.1 Significant items

	Group		Increase/ (Decrease) %
	6 months ended 31 December 2022 Unaudited S\$'000	2021 Unaudited S\$'000	
<u>Income</u>			
- Discontinued operations			
Sales of goods	-	34	>100.0
Hotel operations	755	1,027	(26.5)
- Continued operations			
Sale of goods and services	364	-	*n.m.
<u>Other Income</u>			
- Discontinued operations			
Government subsidy income	-	21	>100.0
Others	-	5	>100.0
- Continued operations			
Others	-	11	>100.0
<u>Expenses</u>			
- Discontinued operations			
Amortisation of intangible assets	202	1,155	(82.5)

Depreciation of property, plant and equipment	635	918	(30.8)
Legal and professional fees	25	20	25.0
- Continued operations			
Depreciation of property, plant and equipment	27	23	17.4
Legal and professional fees	257	55	>100.0

6.2 Related party transactions

Intragroup transactions and balances that have been eliminated in these condensed interim financial statements are not disclosed as related party transactions and balances below.

Significant related party transactions

Other than the transactions and balances disclosed elsewhere in the notes to these condensed interim financial statements, there are no significant related party transactions in the six months ended 31 December 2022.

6.3 Other payables to related parties

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

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

	<u>Group</u>	
	31 December 2022	30 June 2022
	S\$'000	S\$'000
At beginning of the period	12,110	13,741
Advances from / repayment to related parties	250	(108)
Foreign exchange adjustments	<u>(148)</u>	<u>(38)</u>
At end of the period	<u>12,212</u>	<u>12,110</u>

Other related parties refer to a controlling shareholder of the Company and companies in which Mr Sun Bowen, our Executive Chairman, or his immediate family has significant or controlling interest.

7. Assets held for sale

In November 2022, the Group entered into agreements for the Proposed Disposals. As prescribed under SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations, the non-current assets which are the subject of the Proposed Disposals are classified as Assets held for sale.

For the purpose of preparing the condensed interim financial statements for the six months ended 31 December 2022, the Group had re-measured the carrying amounts of the Assets Held For Sale to its fair value, which is based on the consideration less costs to sell for the proposed disposal of the Assets Held For Sale. As the consideration less costs to sell exceeds the carrying amounts, no impairment loss had been recognised.

As of 31 December 2022, the Assets Held For Sale are presented in the condensed interim statements of financial position as “Assets held for sale” and the results of operations of the Assets Held For Sale are presented separately in the condensed interim consolidated statement of profit or loss and other comprehensive income as “Loss from discontinued operations, net of tax.”

The assets classified as Assets held for sale as at 31 December 2022 are as follows:

	S\$'000
Property, plant and equipment	13,115
Intangible assets	6,706
	<u>19,821</u>

The results of operations of the Assets Held For Sale which have been included in the condensed interim consolidated financial statements are as follows:

	Group		Increase/ (Decrease) %
	6 months ended 31 December		
	2022 Unaudited S\$'000	2021 Unaudited S\$'000	
Revenue	755	1,061	(28.8)
Other income	3	27	(88.9)
Depreciation and amortisation expenses	(837)	(1,868)	(55.2)
Employee benefits expense	(151)	(303)	(50.2)
Other operating expenses	(781)	(818)	(4.5)
Finance costs	–	(1)	*n.m.
Loss before tax from discontinued operations	(1,011)	(1,900)	(46.8)
Income tax benefit	–	262	*n.m.
Loss from discontinued operations, net of tax	(1,011)	(1,638)	(38.3)

The cash flows of the discontinued operations for the current and prior period ending on 31 December which have been included in the condensed interim consolidated financial statements are:

	Group	
	6 months ended	
	31 December 2022 Unaudited S\$'000	31 December 2021 Audited S\$'000
Net cash flows (used in) / from operating activities	(40)	110
Net cash flows used in investing activities	-	(17)
Net cash flows used in financing activities	-	(108)
Total cash flows	<u>(40)</u>	<u>(59)</u>

8. Net Asset Value

	Group		Company	
	31 December 2022 Unaudited	30 June 2022 Audited	31 December 2022 Unaudited	30 June 2022 Audited
Net asset value ("NAV") (in S\$'000)	3,263	4,073	7,290	7,889
No. of ordinary shares ('000), excluding treasury shares	789,000	789,000	789,000	789,000
NAV per ordinary share based on Issued share capital (Singapore cents)	0.41	0.52	0.92	1.00

Net asset value per ordinary share as at 31 December 2022 and as at 30 June 2022 were calculated based on the existing number of shares in issue excluding treasury shares of 789,000,000 ordinary shares as at 31 December 2022 and 30 June 2022.

9. Property, plant and equipment

Refer to section E (*Notes to the condensed interim consolidated financial statements*) under Note 7 (*Assets held for sale*).

10. Intangible assets

Refer to section E (*Notes to the condensed interim consolidated financial statements*) under Note 7 (*Assets held for sale*).

11. Share capital

Issued and fully paid ordinary share capital

	Number of Shares '000	Issued share capital S\$'000
Balance as at 31 December 2022 and 30 June 2022 (excluding Treasury Shares and subsidiary holdings)	789,000	84,190

As at 31 December 2022, the Company held 1,000,000 ordinary shares as treasury shares (30 June 2022: 1,000,000). As at 31 December 2022, the Company does not have any subsidiary holdings (30 June 2022: Nil).

There was no change in the Company's share capital between 31 December 2022 and 30 June 2022. The total number of issued shares of the Company excluding treasury shares and subsidiary holdings as at 31 December 2022 and 30 June 2022 was 789,000,000 shares.

The number of shares that may be issued on conversion of share options as at 31 December 2022 was 600,000,000 shares (30 June 2022: 600,000,000).

Treasury shares and subsidiary holdings

	31 December 2022	30 June 2022
Treasury shares	1,000,000	1,000,000
Subsidiary holdings	–	–
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings	0.1%	0.1%

12. Borrowings

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

	As at 31 December 2022		As at 30 June 2022	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Gross borrowings	–	490	–	–
Less: Transaction costs in relation to the bank loans	–	–	–	–
Net borrowings	–	740	–	490

(b) Amount repayable after one year

	As at 31 December 2022		As at 30 June 2022	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Gross borrowings	–	–	–	–
Less: Transaction costs in relation to the bank loans	–	–	–	–
Net borrowings	–	–	–	–

(c) Details of any collateral

As further details on 12(a) and 12(b) above, as at 31 December 2022, except for an unsecured interest-free loan amounting to S\$740,000 (30 June 2022: S\$490,000) which was extended by the controlling shareholder of the Company, there were no borrowings or debt securities in issue. The interest-free loan was extended by the controlling shareholder of the Company for working capital purposes and is repayable on 30 June 2023 or any other date as may be agreed upon in writing by the parties.

Separately, Mr Sun Bowen, through companies related to him, has extended interest-free RMB-denominated advances amounting to an aggregate of S\$11.31 million (30 June 2022: S\$12.11 million) for working capital purposes, with the movement in balances arising solely from exchange rates movements. The amount at risk of the interest free advances and the interest-free loan is zero. This is also disclosed under Section F (*Other Information required by Appendix 7C to the Catalist Rules*) under Item 13.

13. Subsequent events

On 27 January 2023, the Company convened an EGM and obtained the approval of its shareholders for the Proposed Disposals and the Diversification. On 3 February 2023, the Company announced that the completion date of the Proposed Disposals have been extended to 28 February 2023.

**F. Other information required by Appendix 7C to the
Catalist Rules**

OTHER INFORMATION

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

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

Refer to section A (*Condensed interim consolidated statement of profit or loss and other comprehensive income*).

- 1(a)(ii) Notes to the consolidated statement of comprehensive income.**

Refer to section E (*Notes to the condensed interim consolidated financial statements*) under Note 6 (*Loss before taxation*).

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

Refer to section B (*Condensed interim statements of financial position*).

- 1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

Refer to section E (*Notes to the condensed interim consolidated financial statements*) under Note 12 (*Borrowings*).

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

Refer to section D (*Condensed interim consolidated statement of cash flows*).

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

Refer to section C (*Condensed interim statements of changes in equity*).

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

Refer to section E (*Notes to the condensed interim consolidated financial statements*) under Note 11 (*Share capital*).

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

	31 December 2022 '000	30 June 2022 '000
Total number of issued shares	790,000	790,000
Treasury shares	(1,000)	(1,000)
Total number of issued shares, excluding treasury shares	<u>789,000</u>	<u>789,000</u>

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

There were no sales, transfers, cancellations and/or use of treasury shares by the Company as at 31 December 2022 (30 June 2022: Nil).

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

There were no sales, transfers, cancellations and/or use of subsidiary holdings by the Company as at 31 December 2022 (30 June 2022: Nil).

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

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

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

Not applicable as the figures have not been audited or reviewed by the Company's auditors.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- a) Updates on the efforts taken to resolve each outstanding audit issue.
- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. For the avoidance of doubt, the latest audited financial statements of the Group for the financial year ended 30 June 2022 are subject to a disclaimer of opinion of which the audit issue pertains to a material uncertainty relating to going concern.

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

Save for the adoption of new and amended standards as set out in section E (*Notes to the condensed interim consolidated financial statements*) under Note 2.1 (*New and amended standards adopted by the Group*), the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period ended 31 December 2022 as applied to the audited annual financial statements for the financial year ended 30 June 2022.

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

Not applicable.

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

	The Group	
	6 months ended 31 December	
	2022	2021
	Unaudited	Unaudited
	S\$'000	S\$'000
(Loss) attributable to equity holders of the Company	(902)	(1,445)
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares	789,000	789,000
(Loss) per share		
Basic and diluted (loss) per share *		
Singapore cents	(0.11)	(0.18)

Note:

*Based on the weighted average number of ordinary shares in issue during the respective financial periods.

During financial year ended 30 June 2018, the Company has granted 600,000,000 share options at exercise price of \$0.085 each to Mr. Sun Bowen and Mr. Wee Henry. The options have been approved by shareholders of the Company at the Extraordinary General Meeting held on 29 March 2018. No dilutive effect has arisen from these options as the average market price for the period is lower than the exercise price.

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

Refer to section E (*Notes to the condensed interim consolidated financial statements*) under Note 8 (*Net Asset Value*).

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

In November 2022, the Group entered into agreements for the Proposed Disposals. As prescribed under SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations, the non-current assets which are the subject of the Proposed Disposals are classified as Assets held for sale.

For the purpose of preparing the condensed interim financial statements for the six months ended 31 December 2022, the Group had re-measured the carrying amounts of the Assets Held For Sale to its fair value, which is based on the consideration less costs to sell for the proposed disposal of the Assets Held For Sale. As the consideration less costs to sell exceeds the carrying amounts, no impairment loss had been recognised.

As of 31 December 2022, the Assets Held For Sale are presented in the condensed interim statements of financial position as "Assets held for sale" and the results of operations of the Assets Held For Sale are presented separately in the condensed interim consolidated statement of profit or loss and other comprehensive income as "Loss from discontinued operations, net of tax."

STATEMENT OF COMPREHENSIVE INCOME

Revenue from continuing operations

Revenue was S\$0.364 million for the 6 months ended 31 December 2022 ("1H2023") compared to none for the 6 months ended 31 December 2022 ("1H2022"). The revenue arose following the completion of the acquisition of Winco Décor & Construct Pte Ltd ("Winco") in August 2022.

Other operating expenses from continuing operations

Other operating expenses increased from S\$0.134 million in 1H2022 to S\$0.438 million in 1H2023. The increase was mainly due to higher legal and professional fees arising from more work undertaken on behalf of the Company by lawyers, valuers, corporate secretarial agents and sponsor in relation to the withdrawal of the operating rights in the PRC, the proposed disposal of the Assets held for sale and the acquisition of Winco.

Revenue from discontinued operations

Revenue was S\$0.755 million for 1H2023 compared to S\$1.061 million for 1H2022. The decrease in revenue was mainly due to the re-tightening of COVID-19 containment measures in the initial months of 1H2023 by the local government which had led to an overall decrease in domestic hotel room bookings, banquet events and seminar bookings at the Wonder Stone Hotel (the "WSP Hotel").

Other income from continued operations

Other income decreased from S\$11,000 in 1H2022 to nil in 1H2023. The decrease was due to the absence of ad-hoc government support grants and the one-off SGX AGM Facilitation Grant in 1H2023.

Depreciation and amortisation from discontinued operations

Depreciation and amortisation expenses had decreased from S\$1.868 million in 1H2022 to S\$0.837 million in 1H2023. The decrease arose following the withdrawal of the operating rights by the local government in June 2022.

Employee benefits expense from discontinuing operations

Employee benefits expense decreased from S\$0.303 million in 1H2022 to S\$0.151 million in 1H2023 mainly due to a lower headcount in 1H2023 compared to 1H2022 following the withdrawal of the operating rights by the local government in June 2022.

Income tax benefit from discontinuing operations

Income tax benefit comprised 25% deferred tax liabilities on the amortisation of the fair value of WSP operating rights over 50 years. Following the withdrawal of the operating rights by the local government in June 2022, the operating rights were written off and income tax benefit ceased to be recognised.

Exchange differences on translating foreign operations

Exchange differences on translating foreign operations decreased from a credit balance of S\$0.114 million in 1H2022 to a debit balance of S\$0.117 million in 1H2023 mainly due to the higher fluctuation of exchange rates in 1H2023 compared to 1H2022.

Overall, the net loss for 1H2023 was S\$1.502 million, compared to a net loss of S\$2.195 million in 1H2022.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Refer to section E (*Notes to the condensed interim consolidated financial statements*) under Note 7 (*Assets held for sale*).

Subsequent to the acquisition of Winco, the assets and liabilities acquired have been consolidated based on their carrying amounts in the management accounts, and no provisional goodwill has been recorded. The Company expects to finalise the purchase price allocation (“PPA”) exercise within 1 year from 19 August 2022, being the date of acquisition. Accordingly, the fair values of assets and liabilities of Winco on acquisition date will be adjusted upon finalization of the PPA exercise.

Current assets

Refer to section E (*Notes to the condensed interim consolidated financial statements*) under Note 7 (*Assets held for sale*).

Cash and cash equivalents had decreased from S\$0.405 million as at 30 June 2022 to S\$0.166 million as at 31 December 2022. Please refer to the Condensed interim consolidated statement of cash flows on page 6 for further details.

Non-current liabilities

Following the withdrawal of the operating rights by the local government in June 2022, the operating rights were written off and the corresponding deferred tax liabilities ceased to be recognised.

Current liabilities

Current liabilities remained consistent and had increased from S\$16.79 million as at 30 June 2022 to S\$17.65 million as at 31 December 2022.

Working capital

As at 31 December 2022, the Group's current assets exceeded its current liabilities by S\$4.074 million.

Refer to section E (*Notes to the condensed interim consolidated financial statements*) under Note 7 (*Assets held for sale*).

STATEMENT OF CASH FLOWS

Net cash flows used in operating activities was S\$0.415 million in 1H2023 compared to S\$0.080 million in 1H2022. The increase in net cash flows used was mainly due to the operating losses incurred in the Group's discontinued operations.

Net cash flows used in investing activities was S\$51,000 in 1H2023 compared to S\$17,000 in 1H2022. This was due to the acquisition of Winco in 1H2023.

Net cash flows from financing activities was S\$0.237 million in 1H2023 compared to net cash flows used in financing activities S\$0.132 million in 1H2022. This was mainly due to advances from a controlling shareholder in 1H2023.

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

Not applicable as no forecast or prospect statement was previously given.

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

On 27 January 2023, the Company convened an EGM and obtained the approval of its shareholders for the Proposed Disposals and the Diversification.

Upon the completion of the disposal of the Assets held for sale, of which the completion date has been extended to 28 February 2023, the Company will be deemed to be a cash company pursuant to Rule 1017 of the Catalist Rules. Please refer to the circular dated and released by the Company on 12 January 2023¹ and the announcement released by the Company on 3 February 2023² for further information as well as the prospects of the Company. The Company continues to hold discussions with parties on potential businesses that meet the requirements of SGX-ST in order to lift its upcoming cash company status.

¹ <https://links.sgx.com/FileOpen/3.%20ICL%20-%20Circular%20dated%2012%20January%202023.ashx?App=Announcement&FileID=743998>

² <https://links.sgx.com/FileOpen/ICL%20-%20Annc%20on%20Extension%20of%20Completion%20Date%20and%20Outcome%20of%20Waiver%20Application.ashx?App=Announcement&FileID=745769>

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

(a) Current financial period reported on

None.

(b) Corresponding period of the immediately preceding financial year

None.

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect and the reasons for the decision.

No dividend has been declared or recommended as the Group is in a loss making position.

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

No interested person transaction mandate has been obtained from shareholders of the Company. There were no interested person transactions of \$100,000 and above entered into by the Group during the period ended 31 December 2022. The aggregate value of all IPTs during 1H2023 is less than S\$100,000.

As at the date of this announcement, a controlling shareholder and Mr. Sun Bowen have, through companies related to him, extended advances amounting to an aggregate of S\$0.74 million (30 June 2023: S\$0.49 million) and S\$11.31 million (30 June 2022: S\$12.11 million) respectively in other payables as disclosed in section E (*Notes to the condensed interim consolidated financial statements*) under Note 6.3 (*Other payables to related parties*). These advances are interest-free and there is no amount at risk to the Group.

14 Negative assurance

We, the undersigned, being the Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to our attention, which may render the unaudited financial results for the half year ended 31 December 2022 to be false or misleading in any material aspect pursuant to Rule 705(5) of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the SGX-ST.

On behalf of the board of directors,

Sun Bowen
Executive Chairman

Tan Keng Keat
Executive Director

15 Confirmation of Undertakings from Directors and Executive Officers under Rule 720(1) of the Catalist Rules

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

BY ORDER OF THE BOARD

Kiar Lee Noi
Company Secretary

14 February 2023

*This document has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (“the **Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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