

IMPERIUM CROWN LIMITED

(The “Company”)



**Full-Year Financial
Statements for the Financial Year
Ended 30 June 2016**

26 August 2016

Company Registration Number: 1995-05053-Z

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Note:

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

UNAUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2016

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

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		Increase/ (Decrease) %
	12 months ended 30 June		
	2016 Unaudited S\$'000	2015 Audited S\$'000	
Continuing operations			
Revenue	4,742	1,734	n.m.
Less: Property operating expenses	(1,773)	(564)	n.m.
Net property income	2,969	1,170	n.m.
Other income	197	77	n.m.
Depreciation of property, plant and equipment	(14)	(111)	(87.4)
Other operating expenses	(1,528)	(3,077)	(50.3)
Finance costs	(554)	(313)	(77.0)
Net fair value loss on financial derivatives	(450)	-	n.m.
Net fair value (loss)/gain on investment properties	(16,501)	19,204	n.m.
(Loss)/Profit before income tax	(15,881)	16,950	n.m.
Income tax credit/(expense)	3,402	(4,438)	n.m.
(Loss)/Profit from continuing operations, net of tax	(12,479)	12,512	n.m.
Discontinued operations			
Loss from discontinued operations, net of tax	-	(534)	n.m.
Total (loss)/profit, net of tax	(12,479)	11,978	n.m.
<u>Other comprehensive income</u>			
Items that may be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment	606	-	n.m.
Exchange differences on translating foreign operations, net of tax	9,351	(88)	n.m.
Other comprehensive income for the year	9,957	(88)	n.m.
Total comprehensive (loss)/income	(2,522)	11,890	n.m.

*n.m. – not meaningful

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

	The Group		
	12 months ended 30 June		
	2016	2015	Increase/
	Unaudited	Audited	(Decrease)
	S\$'000	S\$'000	%
Continuing operations			
Loss on disposal of property, plant and equipment	–	22	n.m.
Allowance for impairment loss on trade receivables	1	–	n.m.
Net foreign exchange (gain)/loss	50	(5)	n.m.
Interest income	(55)	(16)	n.m.

* n.m. – not meaningful

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

	Group		Company	
	30 June 2016 \$'000 Unaudited	30 June 2015 \$'000 Audited	30 June 2016 \$'000 Unaudited	30 June 2015 \$'000 Audited
<u>ASSETS</u>				
<u>Non-current assets</u>				
Property, plant and equipment	50	286	50	286
Investment properties	94,066	72,050	880	–
Long term prepaid consumption tax	–	21	–	–
Investments in subsidiaries	–	–	36,357	31,000
Total non-current assets	94,116	72,357	37,287	31,286
<u>Current assets</u>				
Trade and other receivables	277	31	39	25
Amounts due from subsidiaries	–	–	–	872
Cash and cash equivalents	5,261	10,530	4,796	10,100
Restricted cash	4,205	3,003	–	–
Total current assets	9,743	13,564	4,835	10,997
Total assets	103,859	85,921	42,122	42,283
<u>EQUITY AND LIABILITIES</u>				
<u>Equity</u>				
Share capital	47,815	47,815	47,815	47,815
Treasury shares	(58)	–	(58)	–
(Accumulated losses)/retained earnings	(4,275)	8,693	(7,345)	(6,268)
Other reserves	10,065	108	606	–
Total equity	53,547	56,616	41,018	41,547
<u>Non-current liabilities</u>				
Deferred tax liabilities	1,502	4,801	103	–
Borrowings	44,892	15,913	–	–
Security deposits	1,157	1,208	–	–
Derivative financial instruments	270	–	270	–
Total non-current liabilities	47,821	21,922	373	–
<u>Current liabilities</u>				
Income tax payable	–	65	–	–
Trade and other payables	1,621	1,046	551	736
Borrowings	367	6,049	–	–
Deferred revenue	323	223	–	–
Derivative financial instruments	180	–	180	–
Total current liabilities	2,491	7,383	731	736
Total liabilities	50,312	29,305	1,104	736
Total equity and liabilities	103,859	85,921	42,122	42,283

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

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

	As at 30 June 2016		As at 30 June 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Gross borrowings	463	–	6,049	–
Less: Transaction costs in relation to the bank loans	(96)	–	–	–
Net borrowings	367	–	6,049	–

(b) Amount repayable after one year

	As at 30 June 2016		As at 30 June 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Gross borrowings	45,093	–	15,913	–
Less: Transaction costs in relation to the bank loans	(201)	–	–	–
Net borrowings	44,892	–	15,913	–

(c) Details of any collateral

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

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

	Group	
	12 months ended	
	30 June 2016 Unaudited S\$'000	30 June 2015 Audited S\$'000
Cash Flows From Operating Activities		
(Loss)/Profit before tax from continuing operations	(15,881)	16,950
Loss before tax from discontinued operations	-	(167)
	<u>(15,881)</u>	<u>16,783</u>
Adjustments for:		
Amortisation of long-term prepaid consumption tax	21	6
Allowance for impairment loss on trade and other receivables	1	-
Depreciation of property, plant and equipment	14	111
Interest income	(55)	(16)
Loss on disposal of property, plant and equipment	-	22
Transfer of property, plant and equipment to director as remuneration	-	300
Finance costs	554	313
Loss on disposal of discontinued operations	-	2,587
Net fair value loss on financial derivatives	450	-
Net fair value loss/(gain) on investment properties	16,501	(19,204)
Unrealised currency translation loss	535	-
Operating cash flows before changes in working capital	<u>2,140</u>	<u>902</u>
Inventories	-	(1)
Trade and other receivables	(244)	1,382
Trade and other payables	433	(5,753)
Deferred revenue	57	-
Security deposits	(288)	-
Contract work-in-progress	-	234
Net cash flows from operations	<u>2,098</u>	<u>(3,236)</u>
Income taxes paid	(71)	(436)
Net cash flows from/(used in) operating activities	<u>2,027</u>	<u>(3,672)</u>

	12 months ended	
	30 June 2016 Unaudited S\$'000	30 June 2015 Audited S\$'000
Cash Flows From Investing Activities		
Acquisition of investment properties (including acquisition related costs and capital expenditures)	(21,028)	-
Acquisition of TK arrangements	-	(31,000)
Purchases of property, plant and equipment	(51)	(138)
Disposal of subsidiaries, net of cash disposed	-	39
Proceeds from sale of property, plant and equipment	-	96
Interest received	52	16
Net cash flows used in investing activities	<u>(21,027)</u>	<u>(30,987)</u>
Cash Flows From Financing Activities		
Dividend paid	(489)	-
Proceeds from bank borrowings	22,348	-
Repayment of bank borrowings	(7,070)	(182)
Repayment of finance lease liabilities	-	(227)
Purchase of treasury shares	(58)	-
Proceeds from issuance of ordinary shares	-	29,400
Share issue expenses	-	(1,041)
Interest paid	(472)	(313)
Restricted cash	(612)	189
Net cash flows from financing activities	<u>13,647</u>	<u>27,826</u>
Net decrease in cash and cash equivalents	(5,353)	(6,833)
Cash and cash equivalents at beginning of year	10,530	17,321
Effects of currency translation on cash and cash equivalents	84	42
Cash and cash equivalents, consolidated statement of cash flows, end of financial year	<u>5,261</u>	<u>10,530</u>

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

	Share capital	Translation reserves	Revaluation reserves	Treasury shares	Retained earnings/ (accumulated losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group						
Balance as at 1 July 2014 (Audited)	19,456	196	-	-	(3,285)	16,367
Issue of new shares	29,400	-	-	-	-	29,400
Share issue expenses	(1,041)	-	-	-	-	(1,041)
Profit, net of tax	-	-	-	-	11,978	11,978
Exchange differences on translating foreign operations	-	(88)	-	-	-	(88)
Balance as at 30 June 2015 (Audited)	47,815	108	-	-	8,693	56,616
Purchase of treasury shares	-	-	-	(58)	-	(58)
Dividends paid	-	-	-	-	(489)	(489)
Loss, net of tax	-	-	-	-	(12,479)	(12,479)
Exchange differences on translating foreign operations	-	9,351	-	-	-	9,351
Revaluation of property, plant and equipment	-	-	606	-	-	606
Balance as at 30 June 2016 (Unaudited)	47,815	9,459	606	(58)	(4,275)	53,547

	Share capital	Treasury shares	Revaluation reserves	Retained earnings/ (accumulated losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company					
Balance as at 1 July 2014 (Audited)	19,456	-	-	(6,680)	12,776
Issue of new shares	29,400	-	-	-	29,400
Share issue expenses	(1,041)	-	-	-	(1,041)
Profit, net of tax	-	-	-	412	412
Balance as at 30 June 2015 (Audited)	47,815	-	-	(6,268)	41,547
Purchase of treasury shares	-	(58)	-	-	(58)
Dividends paid	-	-	-	(489)	(489)
Loss, net of tax	-	-	-	(588)	(588)
Revaluation of property, plant and equipment	-	-	606	-	606
Balance as at 30 June 2016 (Unaudited)	47,815	(58)	606	(7,345)	41,018

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

Issued and fully paid ordinary share capital

	Number of Shares '000	Issued share capital S\$'000
Balance as at 31 December 2015 and as at 30 June 2016	489,000	47,815

There was no change in the Company's share capital between 1 January 2016 and 30 June 2016.

As at 30 June 2016, the Company held 1,000,000 ordinary shares as treasury shares (30 June 2015: nil).

The total number of issued shares of the Company excluding treasury shares as at 30 June 2016 and 30 June 2015 were 489,000,000 and 490,000,000 shares respectively.

The Company has no outstanding convertible shares as at 30 June 2015 and 30 June 2016.

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.

	30 June 2016 '000	30 June 2015 '000
Total number of issued shares	490,000	490,000
Treasury shares	(1,000)	-
Total number of issued shares, excluding treasury shares	<u>489,000</u>	<u>490,000</u>

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

There were no sales, transfers, disposals, cancellations and/or use of treasury shares by the Company during the financial year ended 30 June 2016.

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

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

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

Not applicable.

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

Save as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 30 June 2015.

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

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and are effective for financial periods beginning on or after 1 July 2015. The adoption of these new or revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies and does not have any material impact on the Group's financial statements for the financial year ended 30 June 2016.

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	
	12 months ended 30 June	
	2016	2015
	Unaudited	Audited
	S\$'000	S\$'000
<u>(Loss)/profit attributable to equity holders of the Company</u>		
Continuing operations	(12,479)	12,512
Discontinued operations	-	(534)
Total	(12,479)	11,978
Weighted average number of ordinary shares	No. of shares	No. of shares
	'000	'000
	489,495	396,027

(Loss)/Earnings per share

Basic and diluted (loss)/earnings per share *

Singapore cents

- Continuing operations	(2.55)	3.16
- Discontinued operations	-	(0.13)
Total	<u>(2.55)</u>	<u>3.03</u>

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

Note:

The basic and diluted EPS were the same as there were no potentially dilutive securities in issue as at 30 June 2016 and 30 June 2015.

- 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.**

	The Group		The Company	
	As at 30 June <u>2016</u> Unaudited	As at 30 June <u>2015</u> Audited	As at 30 June <u>2016</u> Unaudited	As at 30 June <u>2015</u> Audited
Net asset value ("NAV") (in S\$'000)	53,547	56,616	41,018	41,547
No. of ordinary shares ('000), excluding treasury shares	489,000	490,000	489,000	490,000
NAV per ordinary share based on Issued share capital (Singapore cents)	10.95	11.55	8.39	8.48

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

STATEMENT OF COMPREHENSIVE INCOME

Continuing Operations

The Group's revenue was mainly derived from a mixed portfolio of five investment properties ("Investment Properties") in Tokyo, Japan, of which an initial three investment properties were acquired during FY2015 ("Acquisition"); and two residential properties, namely, New City Apartments Minowa and New City Apartments Kuramae, were acquired during FY2016 ("Acquisition of 2 Investment Properties"). During FY2016, the Company has one leasehold property in Singapore that was reclassified from property, plant and equipment to investment properties.

Property operating expenses comprised the following:

	FY2016	FY2015
	S\$'000	S\$'000
Property management fees	109	42
Building management fees	192	63
Asset management fees	315	91
Repair and maintenance	310	51
Utilities charges	147	76
Leasing and marketing expenses	218	45
Ground rent	93	44
Trust fees	70	21
Property related taxes	267	115
Others	52	16
Total	<u>1,773</u>	<u>564</u>

Net property income was S\$2.969 million for year ended 30 June 2016 ("FY2016") and S\$1.170 million for year ended 30 June 2015 ("FY2015").

The increases in revenue and net property income were mainly due to the Acquisition of 2 Investment Properties which contributed to the Group's revenue and net property income for 11 months in FY2016 (FY2015: Nil).

Other income increased by S\$0.120 million from S\$0.077 million in FY2015 to S\$0.197 million in FY2016 mainly due to the fixed deposit interest income, receipt of government grant income in relation to Temporary Employment Credit, Productivity and Innovation Credit and Government-paid leave, and net gain on reinstatement cost amounting to S\$0.078 million recovered from one of the tenants in Japan.

Depreciation of property, plant and equipment decreased from S\$0.111 million in FY2015 to S\$0.014 million in FY2016 due to discontinuation of motor vehicles depreciation subsequent to the transfer of a motor vehicle to a former executive director as remuneration and disposal of remaining motor vehicle during the last quarter of FY2015.

Other operating expenses decreased by S\$1.549 million from S\$3.077 million in FY2015 to S\$1.528 million in FY2016 mainly attributable to the decrease in (i) legal and professional fees as a result of lesser corporate exercises during FY2016; and (ii) directors' remuneration following the cessations of two executive directors in FY2015. The decrease in other operating

expenses was partly offset by the (i) increase in staff cost of S\$0.136 million as the number of staff employed by the Company increased; and (ii) EGM costs of S\$0.246 million.

Finance cost increased from S\$0.313 million in FY2015 to S\$0.554 million in FY2016. Finance costs increased mainly due to interest expenses on new bank loans undertaken for Acquisition of 2 Investment Properties and amortisation of transaction costs in relation to the loans amounting to S\$0.086 million.

Net fair value loss on financial derivatives of S\$0.450 million in FY2016 was related to unrealised exchange loss on cross currency swaps to hedge net income from Japan as a result of the appreciation of Japanese Yen against Singapore Dollar.

Net fair value loss on investment properties was S\$16.501 million in FY2016 after recognising the investment properties at their valuation amounts as at 30 June 2016, pursuant to independent valuations performed by independent valuers. The fair value loss was mainly contributed by the initial three investment properties that were acquired in FY2015 and the reasons for the change included the softening of rental rates.

Income tax credit was due to reversal of deferred tax liabilities recognised in relation to the fair value loss on investment properties. The income tax credit was partly offset by withholding tax paid and payable upon the repatriation of net income from Godo Kaisha Threeline and Godo Kaisha Halekulani, the TK Operators.

The net loss from continuing operations for FY2016 was S\$12.479 million, compared to a net profit from continuing operations of S\$12.512 million in FY2015.

Disregarding fair value changes on investment properties and financial derivatives, the Group recorded profit before fair value changes and income tax of S\$1.070 million for FY2016 as compared to a loss before fair value changes and income tax of S\$2.254 million for FY2015.

Discontinued operations

On 18 June 2015, the Company had successfully obtained Shareholders' approval for the disposal of the Company's entire outsourced marketing and communication business ("**Discontinued Operations**") to the Company's former director, Mr. Bay Cheow Guan David for S\$3.412 million ("**Disposal**"). The Disposal was completed on 29 June 2015 and its relevant financial results have been reclassified as discontinued operations in the Group's FY2015 financial statements.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Non-current assets increased by S\$21.759 million from S\$72.357 million as at 30 June 2015 to S\$94.116 million as at 30 June 2016. The increase in investment properties was mainly due to the (i) Acquisition of 2 Investment Properties, namely New City Apartments Minowa and New City Apartments Kuramae in Tokyo, Japan on 27 July 2015 and appreciation of Japanese Yen against Singapore Dollar; and (ii) reclassification of leasehold property in Singapore from property, plant and equipment to investment property. This was partly offset by the net fair value loss of the Group's portfolio of investment properties of S\$16.501 million as at 30 June 2016.

Current assets

Current assets decreased by S\$3.821 million from S\$13.564 million as at 30 June 2015 to S\$9.743 million as at 30 June 2016. The decrease was mainly due the cash outflows to finance the Acquisition of 2 Investment Properties in Tokyo, Japan, which was partly offset by the increase in (i) trade and other receivables due to receivable from a tenant for recovery of reinstatement costs; and (ii) restricted cash pursuant to the expansion of the Group's portfolio of investment properties and appreciation of Japanese Yen against Singapore Dollar. Restricted cash pertains to trust account reserve and lender's account reserves, which are required to be maintained based on the agreements with the banks providing the loans. Restricted cash are restricted for use in specific operating expenses, capital expenditure and refund of tenant security deposits and bank's approval is required for the utilisation of such restricted cash.

Current liabilities

Current liabilities decreased by S\$4.892 million from S\$7.383 million as at 30 June 2015 to S\$2.491 million as at 30 June 2016. The decrease was mainly due to repayment and refinancing of bank loans, as elaborated in the following paragraph. This was partly offset by (i) the derivatives financial instruments related to Japanese Yen/Singapore Dollar cross currency swap arrangement that the Company entered into to hedge its foreign currency exposure; and (ii) trade and other payables for the corresponding accrual of reinstatement costs to be paid to vendors.

Non-current liabilities

Non-current liabilities increased by S\$25.899 million from S\$21.922 million as at 30 June 2015 to S\$47.821 million as at 30 June 2016. The increase was mainly due to the refinancing of existing bank loan for longer repayment periods and additional bank loans undertaken for the Acquisition of 2 Investment Properties on 27 July 2015 as well as derivatives financial instruments related to Japanese Yen/Singapore Dollar cross currency swap arrangement that the Company entered into to hedge its foreign currency exposure. This was partly offset by the decrease in deferred tax liabilities due to changes of net fair value of investment properties.

Working capital

The Group has a positive working capital of S\$7.252 million as at 30 June 2016.

STATEMENT OF CASH FLOWS

Net cash flows from operating activities was S\$2.027 million as at 30 June 2016 mainly due to the operating cash flows generated from existing five investment properties in Japan.

Net cash flows used in investing activities was S\$21.027 million as at 30 June 2016 mainly due to the Acquisition of 2 Investment Properties in Tokyo, Japan on 27 July 2015.

Net cash flows from financing activities was S\$13.647 million as at 30 June 2016 mainly due to proceeds from bank loans undertaken to finance the Acquisition of 2 Investment Properties and refinancing of existing bank loans, offset by repayment of bank loans.

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

No forecast or prospect statement were previously given.

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

As the global economic climate and conditions continue to be challenging, we will remain prudent in our capital management strategy and we will continue to improve operating efficiencies of our portfolio assets as well as review our hedging requirements to optimise the value and returns of shareholders of the Company.

Update

1. The Board wishes to provide the following information in relation to its announcement made on 19 August 2016.

2. On 16 August 2016, the Company's external auditors (the "External Auditors"), as part of its report to the Audit Committee of the Company summarising principal accounting and auditing issues of governance interest that came to the External Auditors' attention during its audit of the financial statements of the Company and its subsidiaries for FY2016, raised as a key audit finding the following:

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

(b) In the Interim Announcement, the statement of changes in equity of the Company stated the following:

(i) Accumulated losses as at 31 December 2015 of S\$6.3 million; and

(ii) Total comprehensive loss for the six (6) months ended 31 December 2015 of S\$73,000.

The Audit Committee of the Company was therefore asked by the External Auditors to assess whether the Company's declaration on 11 February 2016 of an interim one-tier tax-exempted dividend of 0.1 Singapore cents per ordinary share for the financial period ended 31 December 2015 (the "Interim Dividend") complies with the Singapore Companies Act, Chapter 50.

3. Based on the unaudited financial results of the Company and the Group for FY2016 which recorded the distribution of the Interim Dividend, the Company incurred a current year loss of approximately \$0.6 million, while the Group incurred a current year loss of approximately S\$12.5 million. At present, the Company is still seeking legal advice on the declaration and payment of the Interim Dividend, including its right of recourse, and the Company will make further announcements as and when there are further material developments in relation to the matter.

4. The Company is of the view that the payment of the Interim Dividend does not have a material impact to its financial results for FY2016.

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

Yes.

Declared and Paid

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

There are no final dividends being proposed.

(b) Corresponding period of the immediately preceding financial year

None.

(c) Date Payable

The Interim Dividend was paid on 29 February 2016.

(e) Books closure date

The book closure date for the Interim Dividend was at 5:00 p.m. on 19 February 2016.

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

Not applicable.

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

No interested person transaction mandate has been obtained from shareholders of the Company. There were no interested person transaction of \$100,000 and above entered into by the Group during the financial year ended 30 June 2016. The aggregate value of all IPTs during FY2016 is less than S\$100,000.

14 Use of Net Proceeds from the Placement

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

Intended Use	Amount of Net Proceeds allocated (S\$'000)	Amount utilised to date (S\$'000)	Amount unutilised to date (S\$'000)
General working capital	680	-	680
Potential acquisitions and investments	6,120	6,072 ⁽¹⁾	48
Total	6,800	6,072	728

Note:

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

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

- (b) The net proceeds from the November 2014 Placement was approximately S\$28.340 million, out of which the amount utilised as at the date of this announcement was approximately S\$26.923 million, as set out below:

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

Note:

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

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

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

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

Statement of Operations by Segments

Profit or Loss from Continuing Operations and Reconciliations

FY2016 (Unaudited)	Property development and property investment S\$'000	Unallocated segment S\$'000	Adjustments and eliminations S\$'000	Consolidated financial statements S\$'000
Revenue:				
Total revenue by segment				
Revenue from external customers	4,742	-	-	4,742
Results:				
Recurring EBTDA	2,969	-	-	2,969
Other income	102	95	-	197
Depreciation	-	(14)	-	(14)
Finance expenses	(554)	-	-	(554)
Net fair value loss on investment properties	(16,501)	-	-	(16,501)
Net fair value loss on financial derivatives	-	(450)	-	(450)
Other operating expenses	(195)	(1,333)	-	(1,528)
Loss before income tax	(14,179)	(1,702)	-	(15,881)
Income tax credit	3,402	-	-	3,402
Loss after income tax	(10,777)	(1,702)	-	(12,479)

	Outsourced marketing services (Discontinued operation) S\$'000	Property development and property investment S\$'000	Unallocated segment S\$'000	Adjustments and eliminations S\$'000	Consolidated financial statements S\$'000
FY2015 (Audited)					
Revenue:					
Total revenue by segment					
Revenue from external customers	27,098	1,734	-	(27,098)	1,734
Results:					
Recurring EBTDA	7,419	1,170	-	(7,419)	1,170
Other income	249	-	77	(249)	77
Depreciation	-	-	(111)	-	(111)
Finance expenses	(22)	(298)	(15)	22	(313)
Unallocated corporate costs	(5,226)	-	(3,077)	5,226	(3,077)
Net fair value gain on investment properties	-	19,204	-	-	19,204
Loss on disposal of discontinued operations	(2,587)	-	-	2,587	-
Profit before income tax	(167)	20,076	(3,126)	167	16,950
Income tax expense	(367)	(4,866)	428	367	(4,438)
Profit after income tax	(534)	15,210	(2,698)	534	12,512

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

Assets and Reconciliations

	Property development and property investment S\$'000	Unallocated segment S\$'000	Consolidated financial statements S\$'000
<u>As at 30 June 2016 (Unaudited)</u>			
Total assets for reportable segment			
- Investment properties	94,066	-	94,066
- Restricted cash	4,205	-	4,205
- Others	-	5,588	5,588
Total			103,859
<u>As at 30 June 2015 (Audited)</u>			
Total assets for reportable segment			
- Investment properties	72,050	-	72,050
- Restricted cash	3,003	-	3,003
- Others	-	10,868	10,868
Total			85,921

Liabilities and Reconciliations

	Property development and property investment S\$'000	Unallocated segment S\$'000	Consolidated financial statements S\$'000
<u>As at 30 June 2016 (Unaudited)</u>			
Total liabilities for reportable segments			
- Borrowings	45,259	-	45,259
- Security deposit	1,157	-	1,157
- Deferred revenue	323	-	323
- Deferred tax liabilities	1,502	-	1,502
- Derivatives financial instruments	-	450	450
- Others	-	1,621	1,621
Total Group liabilities			50,312
<u>As at 30 June 2015 (Audited)</u>			
Total liabilities for reportable segments	-		
- Borrowings	21,962	-	21,962
- Security deposit	1,208	-	1,208
- Deferred revenue	223	-	223
- Deferred tax liabilities	4,801	-	4,801
- Others	-	1,111	1,111
Total Group liabilities			29,305

Geographical segments

	The Group	
	FY2016 (Unaudited) S\$'000	FY2015 (Audited) S\$'000
Revenue		
Continuing operations:		
- Japan	4,688	1,734
- Singapore	54	-
	<u>4,742</u>	<u>1,734</u>
Discontinued operations:		
- Singapore	-	4,751
- United Kingdom	-	14,964
- United States of America	-	7,383
	<u>4,742</u>	<u>28,832</u>

	The Group	
	As at 30 June 16 (Unaudited) S\$'000	As at 30 June 15 (Audited) S\$'000
Total consolidated assets		
Japan	98,094	75,510
Singapore	5,765	10,411
	103,859	85,921

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

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

The Company completed the Acquisition and the Disposal in FY2015, following which, the Company operates only in the segment of property development and property investment, and derives its revenues mainly from Japan where its investment properties are located.

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

17. A breakdown of sales as follows:

	Year ended 30 June 2016 S\$'000	Year ended 30 June 2015 S\$'000	Increase / (Decrease) %
Sales reported for the first half year	2,260	12,549 ¹	n.m.
Operating loss after tax reported for first half year	(880)	(975) ¹	(9.7)
Sales reported for the second half year	2,482	16,283 ²	n.m.
Operating (loss)/profit after tax reported for second half year	(11,599)	12,953	n.m.

¹The sales and operating loss after tax reported for the first half year are entirely derived from the outsourced marketing services segment ("Discontinued Operations"). Such amounts relating to the Discontinued Operations are presented separately in the statement of comprehensive income within one line item, "loss from discontinued operations, net of tax" and are excluded as continuing profit or loss for the year ended 30 June 2015.

² The sales reported for the second half year of FY2015 were derived from property development and property investment segment, i.e. continuing operations amounting to \$1.734 million and Discontinued Operations amounting to \$14.549 million.

*n.m. – not meaningful

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

Total net annual dividend

	2016	2015
	\$'000	\$'000
Ordinary Dividend		
Interim	489	-
Total	<u>489</u>	<u>-</u>

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

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

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

Pursuant to Rule 704(10) of the Catalist Rules, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company as at 30 June 2016.

BY ORDER OF THE BOARD

WAN JINN WOEI
Executive Chairman & Chief Executive Officer
26 August 2016

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

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

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