IMPERIUM CROWN LIMITED

(Registration No: 199505053Z)

Statement by Directors and Financial Statements

Year Ended 30 June 2020

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IMPERIUM CROWN LIMITED

Statement by Directors and Financial Statements

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IMPERIUM CROWN LIMITED

Statement by Directors

The directors are pleased to present the consolidated financial statements of Imperium Crown Limited (the "Company") and its subsidiaries (collectively the "Group") and statement of financial position and statement of changes in equity of the Company for the reporting year ended 30 June 2020.

This new directors' statement replaces the original directors' statement signed on 2 October 2020. This new directors' statement and the revised Financial Statements have been prepared in accordance with Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balace-sheet) Regulations 2018.

The basis for revisions are explained in Note 2 to the revised financial statements. This new directors' statement is taken as having been prepared on the date of the original directors' statement and accordingly, does not consider those events occurring between 3 October 2020 and 30 March 2022.

1. Opinion of the directors

In the opinion of the directors,

(a) the revised accompanying financial statements and the revised consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group as at 30 June 2020 covered by the original financial statements or original consolidated financial statements; and

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

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

2. Directors

Directors in office at 2 October 2020	Movement during the period from 3 October 2020 to 30 March 2022	Directors in office at 30 March 2022
Mr Sun Bowen	–	Mr Sun Bowen
–	Mr Tan Keng Keat (Appointed on 6 October 2021)	Mr Tan Keng Keat
Mr Wee Phui Gam	–	Mr Wee Phui Gam
Mr Hau Khee Wee	–	Mr Hau Khee Wee
Dr Danny Oh Beng Teck	–	Dr Danny Oh Beng Teck

3. Directors' interests in shares and debentures

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

Name of directors and Company in which interests are held	At beginning of the reporting year	At end of the reporting year
The Company:	Number of unissued shares under option	
Mr Sun Bowen	300,000,000	300,000,000
The Subsidiary (Global Entertainment Media Pte. Ltd.):	Number of shares of no par value	
Mr Sun Bowen	3,208,354	3,208,354

By virtue of section 7 of the Act, Mr Sun Bowen is deemed to have an interest in Global Entertainment Media Pte. Ltd. and its subsidiaries.

The directors' interests set out above as at 21 July 2020 were the same as those at the end of the reporting year.

4. Arrangements to enable directors to acquire benefits by means of acquisition of shares and debentures

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

5. Options

During the reporting year, no option to take up unissued shares of the Company or its subsidiaries was granted except for the following:

The Company has share option agreements dated 26 February 2018 with Mr Sun Bowen and Mr Wee Henry (together, the "Option Subscribers"), which was approved and adopted by its members at an Extraordinary General Meeting held on 29 March 2018. Pursuant to the share option agreements, the Company shall issue to the Option Subscribers an aggregate of 600,000,000 share options (the "Options"), with each Option carrying the right to subscribe for one new ordinary share in the Company at the exercise price of $0.085 (the "Exercise Price") for each new share on the terms and conditions of the Option Agreements (the "Grant of Options").

These options are exercisable between 26 February 2018 and 25 February 2023. The options granted are vested immediately.

The number of outstanding options at the end of the reporting year was:

Exercise price per share	Date of grant of options	Exercise period	Number of shares at	
			30.06.2020	30.06.2019
			'000	'000
$0.085	29 March 2018	From 26 February 2018 to 25 February 2023	600,000	600,000

5. Options (cont'd)

The following table summarises information about participant share options outstanding at the end of the reporting year:

Participants	Options granted for reporting year ended 30 June 2020	Aggregate options granted since commencement to 30 June 2020	Aggregate options exercised since commencement to 30 June 2020	Aggregate options outstandings as at 30 June 2020
	'000	'000	'000	'000
Mr Sun Bowen (Director of the Company)	–	300,000	–	300,000
Mr Wee Henry (Controlling shareholder of the Company)	–	300,000	–	300,000

No participant has received 5% or more of the total number of the options available under the Scheme except for the above director, Mr Sun Bowen and a controlling shareholder, Mr Wee Henry.

Except for the above, during the reporting year:

(i) no other option to take up unissued shares of the Company or its subsidiaries was granted; and there were no shares issued by virtue of the exercise of an option to take up unissued shares.

(ii) there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at end of the reporting year.

6. Report of Audit committee

The members of the Audit Committee ("AC") at the date of this report are as follow:

Mr Wee Phui Gam	(Chairman of AC)
Mr Hau Khee Wee	(Independent and non-executive director)
Dr Danny Oh Beng Teck	(Independent and non-executive director)

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

- Reviewed the half-yearly and annual financial statements and the independent auditor's report on the annual financial statements of the Company before their submission to the board of directors;
- Reviewed the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

6. Report of Audit committee (cont'd)

- Met with the independent auditor, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the independent auditor;
- Reviewed the nature and extent of non-audit services provided by the independent auditor;
- Reviewed the scope and results of the audit;
- Reviewed actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual.

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

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

7. Independent auditor

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

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the Company's internal controls, addressing financial, operational, compliance risks and information technology controls and risk management systems, are adequate as at and for the reporting year ended 30 June 2020.

9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 28 August 2020, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

....	....
Tan Keng Keat	Wee Phui Gam
Director	Director

30 March 2022

RSM

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Independent Auditor's Report to the Members of
IMPERIUM CROWN LIMITED

Report on the audit of the revised financial statements

Opinion

We have audited the revised financial statements of Imperium Crown Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the revised financial statements, including significant accounting policies and other explanatory information. The revised financial statements replace the original financial statements approved by the directors on 2 October 2020.

In our opinion, the accompanying revised consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") as they have effect under the Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-sheet) Regulations 2018 (the Regulations) and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view, seen as the original financial statements, of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

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 revised financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Revisions Made Under the Regulations 6

We draw attention to note 2 to these revised financial statements which describes these revised financial statements have been revised as result of reclassification of amount due to related parties from trade payables to other payables.to comply with with paragraph 17 of Singapore Financial Reporting Standard (SFRS(I)) 1-7 *Statement of Cash Flows*. The Group should have presented the cash flows associated with cash proceeds from borrowings as cash flows from financing activities. The original financial statements were approved by the directors on 2 October 2020 and we dated our original auditor's report on the original financial statements on that date. The revised financial statements have been prepared in accordance with the Regulations and accordingly do not deal with events which have taken place after the date on which the original financial statements were approved. Consequently, our procedures on subsequent events are restricted solely to the revisions described in note 2 to these revised financial statements and we have not performed procedures in relation to events occurring between the date of our original auditor's report and the date of this report.

Key audit matters

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

(a) Impairment assessment of property, plant and equipment and intangible assets

Under SFRS(I) 1-36 *Impairment of Assets*, the Group is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired, pursuant to the identification of certain indicators of impairment, including the impact of the volatile and challenging market conditions on their operating performance. The assessment of the recoverable amount requires exercise of significant judgement as disclosed in the Note 2C to the financial statements.

The following assets represent a significant portion of the Group's total assets as at 30 June 2020:

(i) Property, plant and equipment (Note 12) (15% of Group's total assets)

The Group owns significant property, plant and equipment in the People's Republic of China.

(ii) Intangible assets (Note 14) (82% of Group's total assets)

Intangible assets comprise of goodwill, land use rights and the rights to operate the "Wonder Stone Park" for a period of 50 years commencing 1 May 2017.

Wonder Stone Park project was still under development.

The management engaged an independent valuation specialist to assess the recoverable amount based on value in use (discounted cash flow) method. The measurement of value in use as the recoverable amount of each identifiable cash-generating unit ("CGU") involves significant judgment and estimation in determining the cash flow forecasts, and risk-free, discount and terminal growth rates. If there are indicators of impairment, the deficit between the recoverable amount and their carrying value would be recognised in profit and loss.

Key audit matters (cont'd)

(a) Impairment assessment of property, plant and equipment and intangible assets (cont'd)

The Group has made impairment allowance of $881,000 and $6,607,000 to write down the carrying value of operating rights and goodwill respectively to their recoverable value as at 30 June 2020.

This area was significant to our audit because of the significant management judgements involved that require management to make various assumptions in the underlying cash flow forecasts. As such, we determined this to be a key audit matter.

How we addressed the matter in our audit

Our procedures include challenging management's estimates and assumptions used in the value-in-use model through our knowledge of the business and industry. We assessed the competency, capabilities and objectivities of the external valuer engaged by management. We have also involved our internal valuation specialist to assist us with our audit of the valuation models and of unobservable inputs of those models. We have also reviewed the adequacy of disclosures in this area.

(b) Impairment assessment of investment in subsidiaries

Refer to Note 2C - Critical judgements, assumptions and estimation uncertainties, Note 15 - Investment in subsidiaries.

Investment in subsidiaries accounts for approximately 99% of the Company's total assets as at 30 June 2020.

As at 30 June 2020, the carrying amount of the Company's investment in subsidiaries comprised mainly investment in Global Media Entertainment ("GEM"). One of the subsidiaries indirectly held by GEM, Fei County Wonder Stone Characteristics Town Development Co., Ltd. ("Wonder Stone") (collectively known as "GEM Group") holds the operating rights to Wonder Stone Park. The development of the Wonder Sone Park is set out in Note 1.

As GEM Group has been loss making, management identified these subsidiaries for impairment testing. The impairment testing requires management to determine the recoverable value amount of these subsidiaries. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and the underlying assumptions to be applied.

The Company has made an impairment allowance of $14,625,000 to write down the carrying value of investment in GEM as at 30 June 2020.

How we addressed the matter in our audit

Our procedures include the review of the external valuer's report and assessed reasonableness of judgements and assumptions considered by the valuer concerned. We assessed the competency, capabilities and objectivities of the valuer engaged by management. We have also involved our internal valuation specialist to assist us with our audit of the valuation models and of the unobservable inputs of those models. We have also reviewed the adequacy of disclosures in this area.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the revised financial statements and our auditor's report thereon.

Our opinion on the revised 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 revised financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised 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 revised financial statements

Management is responsible for the preparation of revised 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 revised 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 revised financial statements

Our objectives are to obtain reasonable assurance about whether the revised 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.

Auditor's responsibilities for the audit of the revised financial statements (cont'd)

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

a) Identify and assess the risks of material misstatement of the revised 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.

b) 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.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) 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 revised financial statements or, if such disclosures are inadequate, 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.

e) Evaluate the overall presentation, structure and content of the revised financial statements, including the disclosures, and whether the revised financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the revised consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

g) Obtain sufficient appropriate audit evidence about whether the revisions made under the Regulations are appropriately reflected in these revised financial statements.

We communicate with those charged with governance 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 those charged with governance 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.

Auditor's responsibilities for the audit of the revised financial statements (cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the revised 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 those subsidiaries 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 Ng Thiam Soon.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

30 March 2022

Engagement partner - effective from year ended 30 June 2018.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year Ended 30 June 2020

	Note	Group 2020 $'000	Group 2019 $'000
Revenue	5	1,487	115
Other income	6	486	44
Depreciation and amortisation expenses	7	(3,527)	(2,631)
Employee benefits expense	8	(1,385)	(1,090)
Other operating expenses	9	(10,398)	(2,093)
Finance costs	10	(3)	–
Loss before tax from continuing operations		(13,340)	(5,655)
Income tax benefit	11	488	572
Loss for the year from continuing operations		(12,852)	(5,083)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign exchange differences on translation of foreign operations, net of tax	21A	(12)	(3,768)
Realisation of foreign currency translation reserve on liquidation of foreign operations	21A	–	(1,265)
Other comprehensive loss for the year, net of tax		(12)	(5,033)
Total comprehensive loss for the year		(12,864)	(10,116)
Net loss attributable to:			
Owners of the Company		(10,992)	(3,472)
Non-controlling interests		(1,860)	(1,611)
		(12,852)	(5,083)
Total comprehensive loss attributable to:			
Owners of the Company		(10,999)	(6,778)
Non-controlling interests		(1,865)	(3,338)
		(12,864)	(10,116)
Loss per share			
Currency unit		Cents	Cents
Basic and diluted	24	(1.39)	(0.44)

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

Statements of Financial Position
As At 30 June 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	20,741	18,536	30	1
Intangible assets	14	111,660	121,692	–	–
Investments in subsidiaries	15	–	–	45,132	59,714
Trade and other receivables	16	–	–	3,911	3,911
Other financial assets	17	–	–	–	–
Total non-current assets		132,401	140,228	49,073	63,626
Current assets					
Trade and other receivables	16	2,239	1,385	23	24
Cash and cash equivalents	18	737	2,310	565	1,838
Total current assets		2,976	3,695	588	1,862
Total assets		135,377	143,923	49,661	65,488
EQUITY AND LIABILITIES					
Equity					
Share capital	19A	84,190	84,190	84,190	84,190
Treasury shares	19B	(58)	(58)	(58)	(58)
Accumulated losses		(35,522)	(24,530)	(39,477)	(23,524)
Other reserves	21	2,340	2,347	4,598	4,598
Equity, attributable to owners of the Company		50,950	61,949	49,253	65,206
Non-controlling interests		41,595	43,460	–	–
Total equity		92,545	105,409	49,253	65,206
Non-current liabilities					
Deferred tax liabilities	11	26,371	26,956	–	–
Total non-current liabilities		26,371	26,956	–	–
Current liabilities					
Income tax payable		97	–	–	–
Trade and other payables	22	16,332	11,558	376	282
Lease liability, current	23	32	–	32	–
Total current liabilities		16,461	11,558	408	282
Total liabilities		42,832	38,514	408	282
Total equity and liabilities		135,377	143,923	49,661	65,488

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

Statements of Changes in Equity
Year Ended 30 June 2020

	Attributable to owners of the Company							
	Share capital $'000	Treasury shares $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Share options reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group								
Current year								
At 1 July 2019	84,190	(58)	(24,530)	(2,251)	4,598	61,949	43,460	105,409
Changes in equity								
Loss for the year	–	–	(10,992)	–	–	(10,992)	(1,860)	(12,852)
Other comprehensive loss for the year	–	–	–	(7)	–	(7)	(5)	(12)
Total comprehensive loss for the year	–	–	(10,992)	(7)	–	(10,999)	(1,865)	(12,864)
At 30 June 2020	84,190	(58)	(35,522)	(2,258)	4,598	50,950	41,595	92,545
Previous year								
At 1 July 2018	84,190	(58)	(23,359)	1,055	4,598	66,426	49,099	115,525
Changes in equity								
Loss for the year	–	–	(3,472)	–	–	(3,472)	(1,611)	(5,083)
Other comprehensive loss for the year	–	–	–	(3,306)	–	(3,306)	(1,727)	(5,033)
Total comprehensive loss for the year	–	–	(3,472)	(3,306)	–	(6,778)	(3,338)	(10,116)
Dilution of non-controlling interest (Note 15)	–	–	2,301	–	–	2,301	(2,301)	–
At 30 June 2019	84,190	(58)	(24,530)	(2,251)	4,598	61,949	43,460	105,409

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

Statements of Changes in Equity
Year Ended 30 June 2020

	Share capital $'000	Treasury shares $'000	Accumulated losses $'000	Share options reserve $'000	Total equity $'000
Company					
Current year					
At 1 July 2019	84,190	(58)	(23,524)	4,598	65,206
Changes in equity					
Loss for the year	–	–	(15,953)	–	(15,953)
At 30 June 2020	84,190	(58)	(39,477)	4,598	49,253
Previous year					
At 1 July 2018	84,190	(58)	(20,711)	4,598	68,019
Changes in equity					
Loss for the year	–	–	(2,813)	–	(2,813)
At 30 June 2019	84,190	(58)	(23,524)	4,598	65,206

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

Consolidated Statement of Cash Flows
Year Ended 30 June 2020

	2020 $'000	2019 $'000
Cash flows from operating activities		
Loss before tax	(13,340)	(5,655)
Adjustments for:		
Depreciation of property, plant and equipment	987	122
Amortisation of intangible assets	2,540	2,509
Interest income	(7)	(19)
Finance costs	3	–
Allowance for impairment loss on trade receivables	26	
Allowance for impairment on goodwill	6,607	–
Allowance for impairment on intangible assets	881	–
Realisation of foreign currency translation reserve on liquidation for foreign operations	32	(1,265)
Operating cash flows before changes in working capital	(2,271)	(4,308)
Trade and other receivables	(880)	(735)
Trade and other payables	2,266	1,939
Net cash flows used in operations	(885)	(3,104)
Income taxes paid	–	–
Net cash flows used in operating activities	(885)	(3,104)
Cash flows from investing activities		
Interest received	7	19
Purchase of intangible assets	–	(1)
Purchase of property, plant and equipment	(3,156)	(5,319)
Net cash flows used in investing activities	(3,149)	(5,301)
Cash flows from financing activities		
Lease liabilities	(47)	–
Advances from related parties	2,508	1,575
Net cash flows from financing activities	2,461	1,575
Net decrease in cash and cash equivalents	(1,573)	(6,830)
Cash and cash equivalents at beginning of year	2,310	9,140
Cash and cash equivalents at end of year (Note 18)	737	2,310

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

1. General

Imperium Crown Limited (the "Company") is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars ("$"), the amount are rounded to the nearest thousand, unless otherwise stated and they cover the Company and its subsidiaries (collectively the "Group").

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The Company is an investment holding company and listed on Catalyst, which is a shares market on Singapore Exchange Securities Trading Limited

The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

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

At end of the reporting year, the Group reported total comprehensive loss of $12.86 million; and as of that date, the Group's current liabilities exceeded its current assets by $13.49 million. The Group's current liabilities as at 30 June 2020 included the amounts owing to a related party of $11.64 million, in which Executive Chairman has the power and authority to manage the payment obligations to the said related party if the need ever arises.

At the date of this report, the management is satisfied that the financial support will be available when required for at least a year from the end of the reporting year. The validity of the going concern assumption on which the financial statements are prepared depends on the successful conclusion of these matters. If the going concern assumption is inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised for amounts other than those at which they are currently recorded in the statement of financial position. In addition, the Company may have to provide for further liabilities that may arise.

The Wonder Stone Park, the key development project of the Group has an estimated development costs of $202 million (equivalent to RMB1.01 billion). The estimated development costs has increased by $2 million (equivalent to RMB10 million) as compared to the last reporting year due to changes in development plan. As of the reporting year end, $18.55 million (approximate RMB94.11 million) have been incurred. This relates mainly to the hotel which has commenced operation during the reporting year.

The development costs are expected to be funded through bank borrowings, borrowings from related parties and equity. Management has reasonable expectations that adequate financial resources will be available to complete the development of the Park as projected.

Accordingly, the management continues to adopt the going concern basis in preparing the financial statements and the management will continue to monitor the development closely and make adjustments to the development plan where appropriate.

1. General (cont'd)

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I)s ("SFRS(I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 (the "Act") and with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Accounting convention

The 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 financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of financial statements

These revised financial statements were prepared in accordance with the Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-Sheet) Regulations 2018, as the directors have voluntarily revised these Financial Statements in accordance with section 202A of the Companies Act.

These revised financial statements replace the original financial statements that were approved by the directors on 2 October 2020. These revised financial statements were approved be the directors on 30 March 2022.

These revised financial statements are taken as having been prepared on the date of the original financial statements on 2 October 2020 and accordingly, do not consider any events which occurred between 3 October 2020 and 30 March 2022.

These revised financial statements have been revised as result of reclassification of amount due to related parties from trade payables to other payables.

1. General (cont'd)

Basis of preparation of financial statements (cont'd)

The impact of the revision are summarised as follows:

		2020	
	After	Before	Difference
	$'000	$'000	$'000
Consolidated Statement of Cash Flows			
Cash Flows from operating activities			
Trade and other payables	2,266	4,774	(2,508)
Net cash flows used in operating activities	(885)	1,623	(2,508)
Cash flows from financing activities			
Advances from related parties	2,508	–	2,508
Net cash flows from financing activities	2,461	(47)	2,508

		2019	
	After	Before	Difference
	$'000	$'000	$'000
Consolidated Statement of Cash Flows			
Cash Flows from operating activities			
Trade and other payables	1,939	3,514	(1,575)
Net cash flows used in operating activities	(3,104)	(1,529)	(1,575)
Cash flows from financing activities			
Advances from related parties	1,575	–	1,575
Net cash flows from financing activities	1,575	–	1,575

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

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

1. **General (cont'd)**

Basis of presentation (cont'd)

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as fair value through profit or loss financial assets in accordance with SFRS(I) 9.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Act, the Company's separate statement of profit or loss and other comprehensive income is not presented.

Coronavirus Disease ("Covid-19") pandemic and the aftermath

The Covid-19 pandemic and the aftermath of the pandemic globally forced to suspend or limit business operations during the reporting year and the aftermath is expected for the unforeseeable period ahead. Measures were taken by the governments to contain the spread of Covid-19, including travels, social distancing and closure of non-essential services. This resulted in an economic slowdown, which have adversely impacted on the business of the reporting entity. The economic uncertainties have created questions about the uncertainties relating to the impairment or recoverability of certain assets (including impairment allowances for inventories and receivables) and the completeness or valuation of certain assets and liabilities reflected in these financial statements. An assessment was made by management whether for the current reporting year there were any indications that these assets and liabilities may be impacted adversely. If any such indication of uncertainties existed, an estimate was made of the realisable amount and or fair value of the relevant assets and the completeness of the liabilities (which balances are more fully disclosed in the relevant notes to these financial statements). The recoverability of the assets and the ability of the entity to maintain or pay its debts as they mature are dependent to a large extent on the efficacy of the fiscal and other measures undertaken by China and the affected countries overseas to successfully meet those economic challenges. As the pandemic continues to progress and evolve, it is extremely challenging to predict the full extent and duration of its impact on the entity's businesses and the countries where the reporting entity operates.

2. **Significant accounting policies and other explanatory information**

2A. **Significant accounting policies**

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Revenue recognition (cont'd)

Revenue from hotel operation

Hotel revenue from room rental is recognised at the point in time when service is provided to the customers. Revenue from food and beverage sales and other ancillary services is generally recognised at the point in time when the services are rendered.

Sale of goods

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer generally on delivery of the goods (in this respect, incoterms are considered).

Other income

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have each participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute to a certain percentage to the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Share based compensation

Benefits to employees are also provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Borrowing costs

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

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, and exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

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

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Income tax

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

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Motor vehicles	-	10%
Office and other equipment	-	3% - 10%
Renovations, improvements and furniture	-	3% - 20%

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

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

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

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

Construction-in-progress relating to assets and property under construction is reclassified to the respective categories of property, plant and equipment upon completion of the project. Depreciation only begin when the relevant assets are available for use.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment.

The annual rates of depreciation are as follows:

Office premises	-	33.3%.

Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.a right-of-use asset is recognised. For these leases, a right-of-use asset is recognised.

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Subsidiaries

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

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

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with the financial reporting standard on financial instruments. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Goodwill and fair value adjustments resulting from the application of purchase accounting at the date of acquisition are treated as assets and liabilities of the foreign entity and are recorded at the exchange rates prevailing at the acquisition date and are subsequently translated at the period end exchange rate.

There were no business combinations during the reporting year.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant notes. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Intangible assets

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Intangible assets (cont'd)

Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over the remaining lease terms. The annual rate of amortisation is as follows:

Land use rights – 2.5%

Operating rights

Operating rights represents the identifiable intangible assets acquired as part of a business combination and initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. Subsequently, the operating rights are amortised over the remaining lease terms. The annual rate of amortisation is as follows:

Operating rights – Over the terms of rights which is 2.0%

Impairment of non-financial assets

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

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

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets

(i) Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

(ii) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

(iii) Financial asset that is an equity investment measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.

(iv) Financial asset classified as measured at FVTPL: There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

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

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Provisions

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

Segment reporting

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

Treasury shares

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

2C. Critical judgements, assumptions and estimation uncertainties

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

2. Significant accounting policies and other explanatory information (cont'd)

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

Impairment assessment of goodwill

An assessment is made annually whether goodwill has suffered any impairment loss. The assessment process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. Judgement is required in identifying the cash-generating units ("CGU") and the use of estimates. Actual outcomes could vary from these estimates.

As disclosed in Note 14B to the financial statements, the recoverable amounts of the CGUs which goodwill has been allocated to be determined based on value-in-use ("VIU") calculations using discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in determination of the VIU including a sensitivity analysis, are disclosed and further explained in Note 14B to the financial statements.

The carrying amount of goodwill as at 30 June 2020 is Nil (2019: $6.61 million).

Impairment assessment of property, plant and equipment and finite intangible assets

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of CGUs are measured based on VIU calculations. The VIU calculations are based on a discounted cash flow models. These calculations require the use of estimates. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions as disclosed in Note 14B could require a material adjustment to the carrying amount of the balances affected.

The carrying amount of the property, plant and equipment and finite intangible assets at the end of the reporting year affected by the assumption are $20.74 million (2019: $18.54) and $111.66 million (2019: $115.08) respectively.

2. Significant accounting policies and other explanatory information (cont'd)

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

Impairment assessment of investment in subsidiaries

Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of investment in subsidiaries at the end of the reporting year affected by the assumption is $45.09 million (2019: is $53.5 million) as disclosed in the Note 15 to the financial statements.

If the revised revenue had been 10% less favourable than management's estimates at the end of the reporting year, the carrying value of the investment would need to reduce by $30.1 million. If the revised estimated pre-tax discount rate applied to the discounted cash flows increased by 1 percentage point, an impairment of $33.7 million would have been recognised.

Fair value of unquoted investments

If a financial asset is not traded in an active market or if the quoted price is not readily and regularly available, the fair value is established by using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discount rates. The carrying amount is disclosed in the Note 17 to the financial statements.

Income taxes

The entity recognises tax liabilities and assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

3. Related party relationships and transactions

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

3A. Members of a group

Related companies in these financial statements include the members of the Group.

3B. Related party transactions

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

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

Significant related party transactions

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

	Group	
	2020 $'000	2019 $'000
Related parties		
Marketing expenses		
- Capital W Pte Ltd [(a)]	–	(29)
Development income/(expenses) of the Fei County Wonder Stone Characteristics Town Development Co., Ltd. [(b)]		
- Feixian Yin Du Dian Ti Co., Ltd. (费县银都电梯有限公司)	127	(131)
- Shandong Yin Guang Bao An Fu Wu Co., Ltd. (山东银光保安服务有限公司)	(65)	(160)
- Shandong Yin Guang Jian Zhu Zhuang Shi Co., Ltd. (山东银光建筑装饰工程有限公司)	(178)	(239)
- Zhaozhuang Yin Guang Jian Zhu Co., Ltd. (枣庄银光建筑工程有限公司)	–	(47)

3. Related party relationships and transactions (cont'd)

3B. Related party transactions (cont'd)

	Group 2020 $'000	Group 2019 $'000
Related parties		
Operating (expenses)/income of the Fei County Inzone Wonder Stone Cultural Hotel Co., Ltd. [(b)]		
山东银光钰源有限公司	3	–
山东银光化工集团	47	–
费县银光镁业有限公司	1	–
山东银光文化旅游产业集团有限公司	9	–
蒙山旅游区银光麦饭石文化旅游发展有限公司	2	–
山东银光天宏房地产开发有限公司	1	–
山东银光科技有限公司	9	–
山东银光建筑装饰工程有限公司	32	–
费县银光消防服务有限公司	(9)	–
银光麦饭石水厂	(3)	–
山东银光保安服务有限公司	(6)	–
山东银光抽纱有限公司	(158)	–

(a) Capital W Pte Ltd is a company controlled by Ms Tan Geok Bee, an immediately family member of Mr Wee Henry who is a Controlling Shareholder of the Company. This related party has no significant influence over the reporting entity.

(b) These related parties refer to companies in which Mr Sun Bowen or his immediate family has significant or controlling interest.

3C. Key management compensation

	Group 2020 $'000	Group 2019 $'000
Salaries and other short-term employee benefits	642	670

Included in the above amounts are the following items:

	Group 2020 $'000	Group 2019 $'000
Remuneration of directors of the Company	452	474
Fees to directors of the Company	190	196

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The above amounts for key management compensation are for all the directors and key department heads.

Further information about the remuneration of individual directors is provided in the report on corporate governance.

3. Related party relationships and transactions (cont'd)

3D. 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 financial statements.

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

	Group	
	2020	2019
	$'000	$'000
At beginning of year	(8,346)	(6,251)
Advance from a related party	(2,508)	(1,575)
Foreign exchange adjustments	4	(520)
At end of year (Note 22)	(10,850)	(8,346)

Other related parties refer to companies in which Mr Sun Bowen or his immediate family has significant or controlling interest.

4. Financial information by operating segments

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

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 *Operating Segments*. This disclosure standard has no impact on the reported results or financial position of the Group.

For management purposes, the Group is organised into two major operating segments: (i) leisure and hospitality segment, and (ii) property development and property investment segment. 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 maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

4. Financial information by operating segments (cont'd)

4A. Information on reportable segment profit or loss, assets and liabilities (cont'd)

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 property development and property investment segment is to invest for returns solely from capital appreciation and/or investment income. However, this segment was discontinued in reporting year ended 30 June 2018.

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

	Leisure and hospitality $'000	Unallocated segment $'000	Group $'000
2020			
Sales to external customers	1,487	–	1,487
Recurring EBITDA	(8,424)	(1,005)	(9,429)
Depreciation and amortisation expenses	(3,451)	(76)	(3,527)
ORBIT	(11,875)	(1,081)	(12,956)
Interest income	1	6	7
Finance costs	–	(3)	(3)
Legal and professional fee	(98)	(290)	(388)
Loss before tax	(11,972)	(1,368)	(13,340)
Income tax expense	488	–	488
Loss after tax	(11,484)	(1,368)	(12,852)

4. Financial information by operating segments (cont'd)

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

	Property development and property investment $'000	Leisure and hospitality $'000	Unallocated segment $'000	Group $'000
2019				
Sales to external customers	–	115	–	115
Recurring EBITDA	–	(1,393)	(2,568)	(3,961)
Depreciation and amortisation expenses	–	(2,630)	(1)	(2,631)
ORBIT	–	(4,023)	(2,569)	(6,592)
Interest income	–	–	19	19
Legal and professional fee	–	(52)	(295)	(347)
Realisation of foreign currency translation reserve on liquidation of foreign operations	1,265	–	–	1,265
Loss before tax	1,265	(4,075)	(2,845)	(5,655)
Income tax expense	–	572	–	572
Loss after tax	1,265	(3,503)	(2,845)	(5,083)

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

4C. Assets and reconciliations

	Leisure and hospitality $'000	Unallocated segment $'000	Group $'000
2020			
Total assets for reportable segments			
- Property, plant and equipment	20,711	30	20,741
- Intangible assets	111,660	–	111,660
- Trade and other receivables	2,216	23	2,239
- Cash and cash equivalent	172	565	737
			135,377
2019			
Total assets for reportable segments			
- Property, plant and equipment	18,535	1	18,536
- Intangible assets	121,692	–	121,692
- Trade and other receivables	1,361	24	1,385
- Cash and cash equivalent	445	8,696	2,310
			143,923

Unallocated segment comprised primarily assets which cannot be reasonably allocated to an identified segment.

4. Financial information by operating segments (cont'd)

4D. Liabilities and reconciliations

	Leisure and hospitality $'000	Unallocated segment $'000	Group $'000
2020			
Total liabilities for reportable segment			
- Income tax payable	–	97	97
- Deferred tax liabilities	26,371	–	26,371
- Trade and other payables	15,956	376	16,332
- Lease liability, current	–	32	32
			42,832
2019			
Total liabilities for reportable segment			
- Deferred tax liabilities	26,956	–	26,956
- Trade and other payables	11,276	282	11,558
			38,514

Unallocated segment comprised primarily liabilities which cannot be reasonably allocated to an identified segment.

4E. Other material items and reconciliations

	Property development and property investment $'000	Leisure and hospitality $'000	Unallocated segment $'000	Group $'000
2020				
Allowance for impairment on goodwill	–	(6,607)	–	(6,607)
Allowance for impairment on intangible assets	–	(881)	–	(881)
Depreciation and amortisation expenses	–	(3,451)	(76)	(3,527)
Expenditure for non-current assets	–	(3,162)	(70)	(3,232)
2019				
Depreciation and amortisation expenses	–	(2,630)	(1)	(2,631)
Expenditure for non-current assets	–	(5,319)	–	(5,319)
Realisation of foreign currency translation reserve on liquidation of foreign operations	1,265	–	–	1,265

4. Financial information by operating segments (cont'd)

4F. Geographical information

	Group 2020 $'000	Group 2019 $'000
Revenue		
- China	1,487	115
Total consolidated assets		
- China	134,759	142,060
- Singapore	618	1,863
	135,377	143,923

Revenue is attributed to countries on the basis of the customer's location. Total assets are analysed by the geographical areas in which the assets are located.

4G. Information about major customers

There is no customers with revenue transactions of over 10% of the Group's revenue.

5. Revenue

	Group 2020 $'000	Group 2019 $'000
Revenue from contracts with customers		
- Sale of goods	78	115
- Hotel operations	1,409	–
	1,487	115

The revenue from contracts with customers are recognised based on point in time. All the contracts are less than 12 months. The customers include commercial consumers, individuals and government authorities.

This is consistent with the revenue information that disclosed for each reporting segment in Note 4 to the financial statements.

6. Other income

	Group 2020 $'000	Group 2019 $'000
Interest income	7	19
Government subsidy income	390	17
Others	89	8
	486	44

7. Depreciation and amortisation expenses

	Group	
	2020 $'000	2019 $'000
Depreciation from property, plant and equipment (Note 12)	987	122
Amortisation of intangible assets (Note 14)	2,540	2,509
	3,527	2,631

8. Employee benefits expense

	Group	
	2020 $'000	2019 $'000
Salaries and wages	1,110	830
Contributions to defined contribution plan	85	64
Directors' fee	190	196
	1,385	1,090

9. Other operating expenses

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

	Group	
	2020 $'000	2019 $'000
Audit fees to independent auditors of the Company	72	72
Audit fees to independent auditors of the subsidiaries	20	20
Non-audit fees to independent auditors of the Company	22	16
Internal audit fees	20	8
Legal and professional fees	388	347
Loss on disposal of property, plant and equipment	–	–
Allowance for impairment on goodwill	6,607	–
Allowance for impairment on intangible assets	881	–
Allowance for impairment loss on trade and other receivables	26	–

10. Finance costs

	Group	
	2020 $'000	2019 $'000
Interest on lease liability	3	–

11. Income tax

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

	Group 2020 $'000	Group 2019 $'000
Current tax		
Current tax expense	97	–
	97	–
Deferred tax		
Deferred income tax benefit	(585)	(572)
Income tax benefit	(585)	(572)
Total income tax benefit	(488)	(572)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore statutory income tax rate of 17% (FY2019: 17%) to profit or loss before income tax as a result of the following differences:

	Group 2020 $'000	Group 2019 $'000
Loss before tax	(13,340)	(5,655)
Income tax at the above rate	(2,268)	(961)
Non-deductible expenses	2,316	552
Income not subject to tax	–	(576)
Effect of tax rates in different jurisdictions	(1,575)	(557)
Deferred tax assets not recognised	1,036	967
Others	3	3
	(488)	(572)

There are no income tax consequences of dividends to owners of the Company.

11B. Deferred tax income recognised in profit or loss

	Group 2020 $'000	Group 2019 $'000
Excess of book over tax depreciation on intangible assets	585	572
Tax loss carry forwards	(1,036)	–
Deferred tax assets not recognised	1,036	–
	585	572

11. Income tax (cont'd)

11C. Deferred tax recognised in other comprehensive income

	Group 2020 $'000	Group 2019 $'000
Foreign exchange differences on translation of foreign operations	(224)	(1,031)
	(224)	(1,031)

11D. Deferred tax assets/(liabilities) in statements of financial position

	Group 2020 $'000	2019 $'000
From deferred tax liabilities recognised in profit or loss		
Excess of net book value over tax value of intangible assets arising from business combination	(26,956)	(27,987)
Tax loss carry forwards	3,312	2,266
Deferred tax assets not recognised	(3,312)	(2,266)
From deferred tax liabilities recognised in other comprehensive income		
Foreign exchange differences on translation of foreign operations	585	1,031
Net balance	(26,371)	(26,956)

For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

For the People's Republic of China, the realisation of the future income tax benefits from tax loss carryforwards is available for a period of 5 years subject to the conditions imposed by law.

For the China companies, the expiry dates of tax losses carryforwards are as follows:

	Group 2020 $'000	Group 2019 $'000
2022	157	157
2023	247	247
2024	3,885	3,885
2025	4,048	–
	8,337	4,289

12. Property, plant and equipment

Group	Construction in-progress $'000	Motor vehicles $'000	Office and other equipment $'000	Renovations, improvements and furniture $'000	Total $'000
Cost					
At 1 July 2018	12,527	71	412	1,068	14,078
Additions	5,005	–	283	31	5,319
Foreign exchange adjustments	(602)	(3)	(26)	(47)	(678)
At 30 June 2019	16,930	68	669	1,052	18,719
Additions	–	–	1,807	1,425	3,232
Reclassification	(16,898)	–	–	16,898	–
Foreign exchange adjustments	(32)	–	2	(18)	(48)
At 30 June 2020	–	68	2,478	19,357	21,903
Accumulated depreciation					
At 1 July 2018	–	7	37	22	66
Depreciation for the year	–	16	55	51	122
Foreign exchange adjustments	–	(1)	(2)	(2)	(5)
At 30 June 2019		22	90	71	183
Depreciation for the year	–	16	230	741	987
Foreign exchange adjustments	–	–	–	(8)	(8)
At 30 June 2020	–	38	320	804	1,162
Carrying value					
At 1 July 2018	12,527	64	375	1,046	14,012
At 30 June 2019	16,930	46	579	981	18,536
At 30 June 2020	–	30	2,158	18,553	20,741

12. Property, plant and equipment (cont'd)

Company	Renovations, improvements and furniture $'000	Office and other equipment $'000	Total $'000
Cost			
At 1 July 2018, 30 June 2019	5	6	11
Additions	–	76	76
At 30 June 2020	5	82	87
Accumulated depreciation			
At 1 July 2018	3	6	9
Depreciation for the year	1	–	1
At 30 June 2019	4	6	10
Depreciation for the year	–	47	47
At 30 June 2020	4	53	57
Carrying value			
At 1 July 2018	2	–	2
At 30 June 2019	1	–	1
At 30 June 2020	1	29	30

The depreciation expense is included under depreciation and amortisation expenses.

13. Right-of-use assets

The right-of-use assets have been included in property, plant and equipment. The details are as follows:

Group and Company	Office premises $'000
Cost	
Adoption of SFRS (I) 16 at 1 July 2019 and at 30 June 2020 (Note 27)	76
Accumulated depreciation	
At 1 July 2019	–
Depreciation for the year	47
At 30 June 2020	47
Carrying value	
At 1 July 2019	–
At 30 June 2020	29

13. Right-of-use assets (cont'd)

Other information relating to the right-of-use assets are as follows:

	Office premises
Number of right-to-use assets	1
Remaining term	1 year

For the aforesaid right-of-use assets, management has elected to measure the right-of-use asset as if the new standard had been applied since the start of the lease, but using the incremental borrowing rate at 1 July 2019 (see Note 23).

14. Intangible assets

	Group	
	2020 $'000	2019 $'000
Other intangible assets (Note 14A)	111,660	115,085
Goodwill (Note 14B)	–	6,607
	111,660	121,692

14A. Other intangible assets

Group	Land use rights $'000	Operating rights $'000	Total $'000
Cost:			
At 1 July 2018	7,973	116,381	124,354
Additions	1	–	1
Foreign exchange adjustments	(348)	(4,238)	(4,586)
At 30 June 2019	7,626	112,143	119,769
Foreign exchange adjustments	(4)	–	(4)
At 30 June 2020	7,622	112,143	119,765
Accumulated amortisation:			
At 1 July 2018	151	2,144	2,295
Amortisation for the year	223	2,286	2,509
Foreign exchange adjustments	(10)	(110)	(120)
At 30 June 2019	364	4,320	4,684
Amortisation for the year	191	2,349	2,540
At 30 June 2020	555	6,669	7,224
Accumulated impairment:			
At 1 July 2018 and 30 June 2019	–	–	–
Impairment for the year	–	881	881
At 30 June 2020	–	881	881
Net book value:			
At 1 July 2018	7,822	114,237	122,059
At 30 June 2019	7,262	107,823	115,085
At 30 June 2020	7,067	104,593	111,660

14. Intangible assets (cont'd)

14A. Other intangible assets (cont'd)

Detail of the Group's land use rights:

Address	Land Area (Sq m)	Date of grant	Lease expiry date
Ronghe Village, Feicheng Town, Fei County, Linyi City	27,681	29 December 2017	28 December 2057
Gai Jia Dong Village, Feicheng Town, Fei County, Linyi City	13,409	29 December 2017	28 December 2057
Feixian Town, Ronghe Village office area, Fei County, Linyi City	24,158	31 October 2012	31 October 2052

The amortisation charges is included under depreciation and amortisation expenses.

The intangible assets was tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell or its value-in-use ("VIU").

The VIU was measured by an independent professional valuer. The key assumptions used in VIU measurement are as follow. The VIU is a recurring fair value measurement that categorised as Level 3 of the fair value hierarchy. The quantitative information about the VIU measurement using significant unobservable inputs for the CGU are consistent with those used for the measurement last performed and is analysed as follows:

	2020	2019
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs	13.2%	12.0%
Budgeted growth rates forecasts by management based on expectations	3% - 70%	3% - 70%
Terminal value growth rate	3%	3%
Cash flow projections derived from the most recent financial budgets and plans approved by management	11 years	11 years

Actual outcomes could vary from these estimates and the management has identified that a reasonably possible change in following key assumptions could cause the carrying amount of the CGU to exceed its recoverable amount as shown in sensitivity test below.

The intangible assets comprise mainly the operating rights acquired from the acquisition of a subsidiary, Global Entertainment Media Pte Ltd ("GEM") in the financial year ended 30 June 2018. The rights granted the group to operate the Wonder Stone Park for 50 years, commencing from year 2017 to 2067.

14. Intangible assets (cont'd)

14A. Other intangible assets (cont'd)

The recoverable amount of the intangible assets was assessed using the VIU method based on 11 years cash flow projections and with the cash flow beyond the 11 year period extrapolated using the estimated growth rate. The adoption of 11 years cash flow projections is to consider the material impact of the developments around the Park in the initial years that will have on profitability on the operating life of the Park.

Sensitivity test

	Other intangible assets $'000	Property, plant and equipment $'000
If 10% less favourable in estimated revenue, would be a need to reduce pro-rata the carrying value of CGU, by	29,751	5,475
If 10% less favourable in estimated gross margin, would be a need to reduce pro-rata the carrying value of CGU, by	24,124	4,439
If estimated pre-tax discount rate increased by 1 percentage point, it would be a need to reduce pro-rata the carrying value of CGU by	15,108	2,780

During the reporting year, the Group has made an impairment allowance of $881,000 (FY2019: nil) to write down the carrying value of operating rights associated with the Wonder Stone Park cash-generating unit ("CGU") to its recoverable value as at 30 June 2020.

14. Intangible assets (cont'd)

14B. Goodwill

	Group	
	2020	2019
	$'000	$'000
Carrying value comprising		
At cost	6,607	6,856
Allowance for impairment on goodwill	(6,607)	–
Foreign exchange adjustments	–	(249)
At end of year	–	6,607

	Group	
	2020	2019
	$'000	$'000
Movement during the year, at carrying value		
At beginning of year	6,607	6,856
Allowance for impairment on goodwill	(6,607)	–
Foreign exchange adjustments	–	(249)
At end of year	–	6,607

Goodwill is allocated to a CGU for the purpose of impairment testing as follows:

	Group	
	2020	2019
	$'000	$'000
Fei County Wonder Stone Characteristics Town Development Co., Ltd (费县奇石特色小镇发展有限公司)	6,607	6,607

Goodwill arise from the acquisition of GEM which holds the operating rights to the Wonder Stone Park, through its subsidiary, Fei County Wonder Stone Characteristics Town Development Co., Ltd. The goodwill was tested for impairment with the intangible assets at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell or its value-in-use ("VIU"). See Note 14A.

During the reporting year, an impairment allowance of $6,607,000 (FY2019: nil) was recognised based on the recoverable amount determined using the above assumptions.

15. Investments in subsidiaries

	Company 2020 $'000	Company 2019 $'000
Carrying value comprising		
Unquoted equity shares at cost	55,960	65,187
Allowance for impairment	(17,073)	(11,675)
Quasi-equity loans receivable	6,245	6,202
	45,132	59,714

	Company 2020 $'000	2019 $'000
Movement during the year, at carrying value		
At beginning of year	59,714	53,600
Impairment allowance	(14,625)	–
Quasi-equity loans	43	6,114
At end of year	45,132	59,714
Movements in allowance for impairment		
At beginning of year	11,675	23,467
Impairment allowance charged to profit or loss	5,398	–
Impairment allowance written off	–	(11,792)
At end of year	17,073	11,675

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

The Company has made an impairment allowance of $14,625,000 (FY2019: nil) to write down the carrying value of investment in Global Media Entertainment Pte Ltd. based on the recoverable amount determined using the assumptions in Note 14A.

15. Investments in subsidiaries (cont'd)

Following are the carrying value denominated in non-functional currencies:

	Company 2020 $'000	Company 2019 $'000
Chinese RMB	2,089	2,089
Malaysian Ringgit	12	12
Australian Dollars	78	52

Details of the Company's subsidiaries are as follows:

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Effective percentage of equity held by the Group 2020 %	Effective percentage of equity held by the Group 2019 %	Cost of investment 2020 $'000	Cost of investment 2019 $'000
Held by the Company				
Richwood Asia I Investment [(1)] British Virgin Islands Investment holding	–	100	–	9,227
ICL Land Sdn Bhd [(2)] Malaysia Dormant	100	100	*	*
Development West Pty Ltd[(3)] Australia Investment holding	100	100	2,450	2,450
WS Global Asset Management Pte Ltd [(4)] Singapore Dormant	100	100	10	10
Global Entertainment Media Pte Ltd ("GEM") [(4)] Singapore Investment holding	60	60	53,500	53,500
			55,960	65,187

15. Investments in subsidiaries (cont'd)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Effective percentage of equity held by the Group 2020 %	2019 %	Cost of investment 2020 $'000	2019 $'000
Held by GEM				
Linyi Yin Sheng Wen Hua Chuan Mei Co., Ltd ("Linyi Yin Sheng") 临沂银升文化传媒有限公司 [(5)] People's Republic of China Investment holding	60	60	12,000	12,000
Held by Linyi Yin Sheng				
Fei County Wonder Stone Characteristics Town Development Co., Ltd ("Wonderstone") 费县奇石特色小镇发展有限公司 [(5)] People's Republic of China Tourism development and tourism management services	54	54 [(8)]	12,070	12,070
Held by Wonderstone				
Fei County Yinsheng Real Estate Co., Ltd ("Yinsheng Real Estate") 费县银升置业有限公司 [(5)] [(6)] People's Republic of China Real estate development	54	54	–	–
Fei County Inzone Wonder Stone Cultural Hotel Co., Ltd (formerly known as Fei County Cultural Hotel Management Co., Ltd) ("Inzone Wonder Stone Cultural Hotel") 费县银座佳悦奇石文化酒店有限公司 [(5)] [(7)] People's Republic of China Hotel management services	54	54	291	291

Notes

* Amount less than $1,000.

(1) Struck off during the reporting year.

(2) Not audited as these subsidiaries are in the midst of liquidations as of the current financial year.

(3) Not audited as this subsidiary is not significant. However, compilation report prepared by CrossCorp Accounting Pty Ltd, a registered accounting firm in Australia was used for consolidation.

(4) Audited by RSM Chio Lim LLP, Singapore.

15. Investments in subsidiaries (cont'd)

Notes

(5) For the purpose of preparing the Group's consolidated financial statements, these financial statements as at reporting year end were audited by Zhongxinghua Certified Public Accountant LLP, a member of the Chinese Institute of Certified Public Accountants and an approved firm by the China Securities Regulatory Commission.

As is required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

(6) Fei County Yin Sheng Real Estate Co., Ltd was incorporated on 30 May 2018 with registered share capital of RMB30 million (equivalent to $6 million). However, no capital has been injected as at 30 June 2020.

(7) Fei County Inzone Wonder Stone Cultural Hotel Co., Ltd was incorporated on 13 September 2018 with registered share capital of RMB2 million (equivalent to $400,000). On 16 October 2018, the subsidiary changed its company name from Fei County Cultural Hotel Management Co., Ltd (费县奇石文化酒店管理有限公司) to 费县奇石文化戴斯酒店管理有限公司 and subsequently on 3 April 2019 changed to Fei County Inzone Wonder Stone Cultural Hotel Co., Ltd. (费县银座佳悦奇石文化酒店有限公司).

(8) During the reporting year ended 30 June 2019, Linyi Yin Sheng injected additional capital, amounting to RMB19.96 million (equivalent to $4 million) into Wonderstone as a result increased its equity interest in Wonderstone from 80% to 90%, which also effectively increased the Group's effective equity interest in Wonderstone's group from 48% to 54%.

The changes in the ownership interest in a subsidiaries that do not result in change in control are accounted as transactions with owners in their capacity as owners (as equity transactions). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent. The proportionate share of the carrying amount of the net assets of Wonderstone's group has been transferred from non-controlling interest amounted to $2.30 million.

On 27 September 2018, the Company entered into a sale and purchase agreement ("SPA") with Fortsmith Investments Limited to further acquire 40% of equity interest in GEM for a consideration of $24 million. Upon the completion of the acquisition, GEM will become a wholly owned subsidiary of the Company. No consideration has been paid by the Company as at end of the current reporting year and to the date of this report. The acquisition is currently in process and the SPA will be automatically lapse if the acquisition does not take place on or before 31 October 2020.

15. Investments in subsidiaries (cont'd)

15A. Material subsidiaries with non-controlling interests

The following table summarises the accumulated non-controlling interests ("NCI") at end of the reporting year.

	Group	
	2020	2019
	$'000	$'000
Wonderstone	44,201	45,060
Aggregate of other individually immaterial subsidiaries	(2,606)	(1,600)
	41,595	43,460

Set out below are the summarised financial information of GEM.

	2020	2019
	$'000	$'000
Summarised statement of financial position		
Non-current assets	114,152	113,989
Current assets	2,279	1,804
Current liabilities	(15,998)	(11,314)
Non-current liabilities	(9,999)	(10,001)
Net assets	90,434	94,478
Summarised statement of comprehensive income		
Revenue	1,487	1,093
Loss for the reporting year	(3,997)	(3,498)
Total comprehensive loss	(3,652)	(3,968)
Total comprehensive loss allocated to NCI	(1,865)	(3,338)
Decrease in non-controlling interest	–	(2,301)
Other summarised information		
Operating cash flows, increase/(decrease)	355	(817)
Net cash flows, (decrease)/increase	(303)	93

16. Trade and other receivables

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Trade receivables				
Related parties (Note 3)	102	–	–	–
Outside parties	199	16	–	–
Allowance for impairment	(26)	–	–	–
Total trade receivables	275	16	–	–
Other receivables				
Loan receivable from a subsidiary	–	–	3,911	3,911
Deposits	246	246	10	10
Prepayments	1,461	1,095	7	7
Others	257	28	6	7
Total other receivables	1,964	1,369	3,934	3,935
	2,239	1,385	3,934	3,935
Presented as:				
Current portion	2,239	1,385	23	24
Non-current portion	–	–	3,911	3,911
	2,239	1,385	3,934	3,935
Movements in above allowance on trade receivables				
At beginning of year	–	–	–	–
Charge for trade ~~trade~~ receivables to profit or loss included in other operating expenses	(26)	–	–	–
At end of year	(26)	–	–	–

16A. Trade receivables

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. A loss allowance balance of $26,000 for the Group is recognised.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

16. Trade and other receivables (cont'd)

16B. Other receivables

Included in other receivables is a loan receivable from a subsidiary amounted to $3,911,000 (2019: $3,911,000). The movement in loan receivables from a subsidiary is as follows:

	Company	
	2020	2019
	$'000	$'000
Movements during the year:		
At beginning of year	3,911	6,000
Reclassified as quasi loan	–	(2,275)
Unwinding of discount transfer from quasi loan	–	186
At end of year	3,911	3,911

The loan receivable from a subsidiary is interest-free and is repayable in March 2028.

The loan is carried at amortised cost at estimated current lending rate of 4.90% (FY2019: 4.90%) per annum. The carrying amount is a reasonable approximation of fair value (Level 3).

Significant increase or (decrease) in the interest rate in isolation would result in lower or (higher) fair value measurement.

Other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

17. Other financial assets

	Level	Group 2020 $'000	Group 2019 $'000
Investment in a trust	3	–	–

The subsidiary, Development West, owns approximately 27% of the interest in a trust known as Richardson Trust (the "Trust"), established under a trust deed and administered by Richardson 1 Pty Ltd, a company incorporated in Australia, acting as trustee (the "Trustee"). The Trust, through the Trustee, is the developer of a mix property development project in Western Australia. However, the project has been suspended.

Management has assessed the Group's investment in the Trust, including the extent of its voting stakeholding, the relationship between the Group and the Trust, the Trustee and the other stakeholders, the arrangements for the Trust and its Trustee, amongst others. In addition, the Group's maximum exposure to loss is limited to the original investment contributed by Development West in the Trust. Based on these factors, management has determined that this investment in the Trust is to be accounted for as a financial asset measured at fair value through profit or loss.

The fair value of the Trust as at end of the reporting year is determined to be $Nil (2019: $Nil).

The management does not have access to the recent financial information of the Trust to-date and the management adopted the assumption that the financial position of the Trust has not changed from the last available financial information as at 30 June 2017 as the development project has been suspended since the previous reporting year.

18. Cash and cash equivalents

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Cash at bank and on hand	737	1,297	565	825
Fixed deposits with banks	–	1,013	–	1,013
	737	2,310	565	1,838

The interest bearing balances are not significant.

18. Cash and cash equivalents (cont'd)

18A. Reconciliation of liabilities arising from financing activities

	2019 $'000	Cash flows $'000	Non-cash changes $'000	2020 $'000
Lease liabilities (Note 23)	–	(44)	76 [(a)] 3 [(b)]	32
Total liabilities from financing activities	–	(44)	79	32

There are no reconciliation amounts for the non-cash changes in liabilities arising from financing activities for year 2019.

(a) Recognition of Right-of-use asset (Note 13)
(b) Accretion of interest

19. Share capital and treasury shares

19A. Share capital

	Company	
	Number of shares issued '000	Share capital $'000
Ordinary shares of no par value		
Balance at beginning and end of the reporting year 30 June 2019 and 2020	790,000	84,190

The ordinary shares of no par value carry no right to fixed income and are fully paid and with one vote per share.

In order to maintain its listing on the Singapore Exchange, the Company has to have share capital with at least a free float of 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury shares purchases mean it will automatically continue to satisfy that requirement, as it did throughout the year. Management received a report from the registrars frequently on substantial share interests showing the non-free float and it demonstrated continuing compliance with the 10% limit throughout the year.

19B. Treasury shares

	Company	
	Number of shares issued '000	Treasury shares $'000
Balance at beginning and end of the reporting year 30 June 2019 and 2020	1,000	58

Treasury shares relate to ordinary shares purchased and held by the Company.

19. Share capital and treasury shares (cont'd)

19B. Treasury shares (cont'd)

Capital management

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. Management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. Management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

As of the reporting year end, there are no significant borrowings.

20. Share based payments

20A. Share options

During the reporting year, no option to take up unissued shares of the Company or its subsidiaries was granted except for the following:

The Company has share option agreements dated 26 February 2018 with Mr Sun Bowen and Mr Wee Henry (together, the "Option Subscribers"), which was approved and adopted by its members at an Extraordinary General Meeting held on 29 March 2018. Pursuant to the share option agreements, the Company shall issue to the Option Subscribers an aggregate of 600,000,000 share options (the "Options"), with each Option carrying the right to subscribe for one new ordinary share in the Company at the exercise price of $0.085 (the "Exercise Price") for each new share on the terms and conditions of the Option Agreements (the "Grant of Options").

These options are exercisable between 26 February 2018 and 25 February 2023. The options granted were vested upon granting of options.

20B. Activities under the share options scheme

The number of outstanding options at the end of the reporting year was:

Exercise price per share	Date of grant of options	Exercise period	Number of shares at	
			2020	2019
			'000	'000
$0.085	29 March 2018	From 26 February 2018 to 25 February 2023	600,000	600,000

20. Share based payments (cont'd)

20B. Activities under the share options scheme (cont'd)

The following table summarises information about participant share options outstanding at the end of the reporting year:

Participants	Options granted for reporting year ended 2020 '000	Aggregate options granted since commencement to 2020 '000	Aggregate options exercised since commencement to 2019 '000	Aggregate options outstandings as at 2019 '000
Mr Sun Bowen (Director of the Company)	–	300,000	–	300,000
Mr Wee Henry (Controlling shareholder of the Company)	–	300,000	–	300,000

No participant has received 5% or more of the total number of the options available under the Scheme except for the above director, Mr Sun Bowen and a controlling shareholder, Mr Wee Henry.

20C. Share options reserve

	Group and Company 2020 $'000	Group and Company 2019 $'000
At beginning and end of year	4,598	4,598

The fair value of the share option issued has been measured based on a binomial lattice model.

The inputs used in the measurement of the fair values at grant date were as follows:

	At grant date on 29 March 2018
Share price (cents)	6.70
Exercise price (cents)	8.50
Historical and expected volatility	52.43%
Dividend yield	0.00%
Risk-free interest rate	2.00%
Time to expiration	5 years

Expected volatility was determined taking into consideration the Company's historical weekly share price volatility from 2 March 2017 (date of announcement of new acquisition) to 26 February 2018.

20. Share based payments (cont'd)

20C. Share options reserve (cont'd)

The granting of options to Mr Sun Bowen, the director of the Company have been accounted for as an equity transaction that falls within the scope of SFRS(I) 2 *Share-based Payment* and the fair value of the Share Options had been estimated at $4,598,000 by an independent professional valuer.

No share options were exercised during the reporting year (FY2019: Nil).

21. Other reserves

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Foreign currency translation reserve (Note 21A)	(2,258)	(2,251)	–	–
Share options reserve (Note 20C)	4,598	4,598	4,598	4,598
	2,340	2,347	4,598	4,598

21A. Foreign currency translation reserve

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

	Group	
	2020	2019
	$'000	$'000
At beginning of year	(2,251)	1,055
Foreign exchange differences on translation of foreign operations	(12)	(3,768)
Realisation of foreign translation reserve on liquidation of foreign subsidiaries	–	(1,265)
Attributable to non-controlling interest	5	1,727
At end of year	(2,258)	(2,251)

22. Trade and other payables

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Trade payables				
Outside parties	4,334	2,295	22	7
Related parties	787	642	–	–
Total trade payables	5,121	2,937	22	7
Other payables				
Amount owing to other related parties (Note 3)	10,850	8,346	–	–
Accrued expenses	361	275	354	275
Total other payables	11,211	8,621	354	275
Total trade and other payables	16,332	11,558	376	282

23. Lease liability

	Group and Company 2020 $'000	Group and Company 2019 $'000
Lease liabilities, current	32	–
	32	–

Movements in lease liabilities are as follows:

	Group and Company 2020 $'000
At 1 July 2019 adoption of SFRS (I) 16	76
Additions	–
Accretion of interest	3
Repayments	(47)
At end of year	32

The new standard on leases has been applied using the modified retrospective transition approach. Therefore no comparative amounts for the year ended 30 June 2019 are presented.

The lease liabilities above do not include short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liabilities and the right-to-use assets. The right-to-use assets are disclosed in Note 13.

Only variable lease payments that depend on an index or a rate, or payments that vary to reflect changes in market rental rates, are included in the measurement of the lease liabilities. Such variable amounts that are unpaid at commencement date are included in the measurement of lease liabilities. Variable lease payments would also include extension options and termination options, residual value guarantees, and leases not yet commenced to which the lessee is committed. Variable lease payments that are based on revenue are recognised in profit or loss in the year in which the condition that triggers those payments occurs.

On transition to the new standard on leases, the weighted average incremental borrowing rate applied to lease liabilities recognised was 5.25% per annum.

Reconciliation of lease commitments and lease liabilities at date of initial application is as follows:

	Group and Company 1 July 2019 $'000
Operating lease liabilities before discounting	79
Discounted using incremental borrowing rate	(3)
Operating lease liabilities as at 1 July 2019 upon adoption of SFRS (I) 16	76

23. Lease liability (cont'd)

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

2020	Minimum payments $'000	Finance charges $'000	Present value $'000
Not later than 1 year	32	*	32
	32	*	32

* Amount less than $1,000.

Subsequent to initial measurement, the liabilities will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liabilities are re-measured, the corresponding adjustments are reflected in right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

At reporting year date there were no commitments on leases which had not yet commenced.

24. Loss per share

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

	Group	
	2020 $'000	2019 $'000
Numerator:		
Loss attributable owners of the Company		
Total basic and diluted earnings	(10,992)	(3,472)
Denominator:	'000	'000
Weighted average number of equity shares		
Basic and diluted	789,000	789,000

The Company has granted 600,000,000 share options at exercise price of $0.085 to Mr Sun Bowen and Mr Wee Henry. There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

25. Capital commitments

Estimated amounts committed at the end of the financial year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2020	2019
	$'000	$'000
Commitment to take up shares in Linyi Yin Sheng through GEM	8,000	8,000
Commitment to take up shares in Wonderstone through Linyi Yin Sheng	6,068	6,072
Commitment to take up shares in Yin Sheng Real Estate through Wonderstone	5,312	5,315
Commitment to take up shares in Inzone Cultural Hotel through Wonderstone	–	63
Commitment to develop Project Wonder Stone Park located in Shandong Province of the People's Republic of China	202,000	200,000
	221,380	219,450

26. Financial instruments

26A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Financial assets				
Financial assets at amortised cost	2,976	3,695	588	5,773
	2,976	3,695	588	5,773
Financial liabilities				
Financial liabilities at amortised cost	16,364	11,558	408	282
	16,364	11,558	408	282

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statements of financial position.

26. Financial instruments (cont'd)

26B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and actions to be taken in order to manage the financial risks. However these are not documented in formal written form. The guidelines include the following:

(i) Minimise interest rate, currency, credit and market risks for all kinds of transactions.

(ii) Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

(iii) All financial risk management activities are carried out and monitored by senior staff.

(iv) All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

26C. Fair value measurement of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

26D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

26 Financial instruments: information on financial risks (cont'd)

26D. Credit risk on financial assets (cont'd)

Note 18 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

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

26E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The average credit period taken to settle trade payables is about 60 days (2018: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

	Group		Company	
	Less than 1 year 2020 $'000	Less than 1 year 2019 $'000	Less than 1 year 2020 $'000	Less than 1 year 2019 $'000
2020:				
Trade and other payables	16,332	11,558	376	282
Gross finance lease obligations	32	–	32	–
At end of year	16,364	11,558	408	282

26F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The interest from financial assets including cash balances is not significant.

26G. Foreign currency risks

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

Group	JPY	USD	Total
2020	$'000	$'000	$'000
Financial assets			
Cash and cash equivalents	–	15	15
Net financial assets at end of year	–	15	15

	JPY	USD	Total
2019	$'000	$'000	$'000
Financial assets			
Cash and cash equivalents	214	15	229
Net financial assets at end of year	214	15	229

26 Financial instruments: information on financial risks (cont'd)

26G. Foreign currency risks (cont'd)

Company 2020 Financial assets	JPY $'000	USD $'000	Total $'000
Cash and cash equivalents	–	14	14
Net financial assets at end of year	–	14	14

2019 Financial assets	JPY $'000	USD $'000	Total $'000
Cash and cash equivalents	214	14	228
Net financial assets at end of year	214	14	228

There is exposure to foreign currency risk as part of its normal business.

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

27. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below.

SFRS No.	Title
SFRS (I) 16	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)
SFRS (I) INT 23	Uncertainty over Income Tax Treatments
SFRS (I) 1-12	Improvements (2017) – Amendments: Income Taxes
SFRS (I) 1-23	Improvements (2017) – Amendments: Borrowing Costs
SFRS (I) 3	Improvements (2017) – Amendments: Business Combinations

Adoption of the above applicable new or revised standards did not require any significant modification of the measurement methods or presentation in the financial statements except for:

Changes in accounting policies and restatements of comparative figures

SFRS (I) 16 *Leases* is effective for annual periods beginning on or after 1 July 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessee, almost all leases are brought onto the statement of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Thus, the Company has recognised a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. The amount by which each financial statement line item is impacted (debits/(credits)) in the current reporting year by the application of the new standard on leases are disclosed in relevant notes to the financial statements.

27. Changes and adoption of financial reporting standards (cont'd)

The Company elected to apply the modified retrospective approach for this standard new standard on leases. Under the modified retrospective approach, the comparative information is not restated and therefore there is no presentation of a third column for the statement of financial position. Any cumulative effect of initially applying this standard is recorded as an adjustment to the opening balance of retained earnings at the date of initial application.

28. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 3	Definition of a Business – Amendments	1 Jan 2020
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting	1 Jan 2020
SFRS (I) 16	Amendment to SFRS (I) 16: COVID-19 Related Rent Concessions	1 Jun 2020