

**IMPERIUM CROWN LIMITED**

**(The “Company”)**



**Condensed Financial Statements  
For the Second Half and Full Year  
Ended 30 June 2021**

**27 August 2021**

**Company Registration Number: 1995-05053-Z**

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**Note:**

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

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

	Note	6 months ended 30 June		The Group		Increase/ (Decrease) %	12 months ended 30 June		Increase/ (Decrease) %
		2021 Unaudited S\$'000	2020 Unaudited S\$'000	2021 Unaudited S\$'000	2020 Audited S\$'000				
Revenue	4	1,116	910	22.6	2,429	1,487	63.3		
Other income		(35)	479	*n.m.	63	486	(87.0)		
Depreciation and amortisation expenses		(2,015)	(2,091)	(3.6)	(3,901)	(3,527)	10.6		
Employee benefits expense		(406)	(603)	(32.7)	(1,345)	(1,385)	(2.9)		
Other operating expenses		(9,048)	(8,218)	10.1	(10,159)	(10,398)	(2.3)		
Finance costs		(2)	(3)	(33.3)	(2)	(3)	(33.3)		
<b>Loss before tax</b>	<b>6</b>	<b>(10,390)</b>	<b>(9,526)</b>	<b>9.1</b>	<b>(12,915)</b>	<b>(13,340)</b>	<b>(3.2)</b>		
Income tax benefit		2,090	196	>100.0	2,356	488	>100.0		
<b>Loss for the year</b>		<b>(8,300)</b>	<b>(9,330)</b>	<b>(11.1)</b>	<b>(10,559)</b>	<b>(12,852)</b>	<b>(17.8)</b>		
<b>Other comprehensive income</b>									
<b>Items that may be reclassified subsequently to profit or loss:</b>									
Exchange differences on translating foreign operations, net of tax		146	181	(19.3)	391	(12)	*n.m.		
Other comprehensive loss for the year, net of tax		146	181	(19.3)	391	(12)	*n.m.		
<b>Total comprehensive loss for the year</b>		<b>(8,154)</b>	<b>(9,149)</b>	<b>(10.9)</b>	<b>(10,168)</b>	<b>(12,864)</b>	<b>(21.0)</b>		
<b>Net loss attributable to:</b>									
Equity holders of the Company		(6,823)	(8,739)	(21.9)	(8,295)	(10,992)	(24.5)		
Non-controlling interests		(1,477)	(591)	149.9	(2,264)	(1,860)	21.7		
		(8,300)	(9,330)	(11.0)	(10,559)	(12,852)	(17.8)		
<b>Total comprehensive loss attributable to:</b>									
Equity holders of the Company		(6,678)	(8,553)	(21.9)	(7,910)	(10,999)	(28.1)		
Non-controlling interests		(1,476)	(596)	147.7	(2,258)	(1,865)	21.1		
		(8,154)	(9,149)	(10.9)	(10,168)	(12,864)	(21.0)		
<b>Loss per share</b>									
Currency unit		Cents	Cents		Cents	Cents			
Basic and diluted		(0.86)	(1.11)	*n.m.	(1.05)	(1.39)	*n.m.		

\*n.m. – not meaningful

## B. Condensed statement of financial position

		Group		Increase/ (Decrease)	Company		Increase/ (Decrease)
		30 June 2021 S\$'000	30 June 2020 S\$'000		30 June 2021 S\$'000	30 June 2020 S\$'000	
	Note	Unaudited	Audited	%	Unaudited	Audited	%
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	10	19,493	20,741	(6.0)	77	30	156.7
Intangible assets	8	103,318	111,660	(7.5)	–	–	–
Amount due from subsidiaries		–	–	*n.m.	3,311	3,911	(15.3)
Investments in subsidiaries	9	–	–	*n.m.	38,108	45,132	(15.6)
Goodwill	8	–	–	*n.m.	–	–	–
<b>Total non-current assets</b>		<b>122,811</b>	<b>132,401</b>	<b>(7.2)</b>	<b>41,496</b>	<b>49,073</b>	<b>(15.4)</b>
<b>Current assets</b>							
Trade and other receivables		1,587	2,239	(29.1)	26	23	13.0
Cash and cash equivalents		321	737	(56.4)	208	565	(63.2)
<b>Total current assets</b>		<b>1,908</b>	<b>2,976</b>	<b>(35.9)</b>	<b>234</b>	<b>588</b>	<b>(60.2)</b>
<b>Total assets</b>		<b>124,719</b>	<b>135,377</b>	<b>(7.9)</b>	<b>41,730</b>	<b>49,661</b>	<b>(16.0)</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Share capital	12	84,190	84,190	–	84,190	84,190	–
Treasury shares		(58)	(58)	–	(58)	(58)	–
Accumulated losses		(43,817)	(35,522)	23.4	(47,650)	(39,477)	20.7
Other reserves		2,725	2,340	16.5	4,598	4,598	–
		43,040	50,950	(15.5)	41,080	49,253	(16.6)
Non-controlling interests		39,337	41,595	(5.4)	–	–	–
<b>Total equity</b>		<b>82,377</b>	<b>92,545</b>	<b>(11.0)</b>	<b>41,080</b>	<b>49,253</b>	<b>(16.6)</b>
<b>Non-current liabilities</b>							
Deferred tax liabilities		24,014	26,371	(8.9)	–	–	–
Lease liability, non-current		32	–	*n.m.	32	–	*n.m.
<b>Total non-current liabilities</b>		<b>24,046</b>	<b>26,371</b>	<b>(8.8)</b>	<b>32</b>	<b>–</b>	<b>*n.m.</b>
<b>Current liabilities</b>							
Income tax payable		103	97	6.2	–	–	–
Trade and other payables		18,148	16,332	11.1	573	376	52.4
Lease liability, current		45	32	40.6	45	32	40.6
<b>Total current liabilities</b>		<b>18,296</b>	<b>16,461</b>	<b>11.1</b>	<b>618</b>	<b>408</b>	<b>51.5</b>
<b>Total liabilities</b>		<b>42,342</b>	<b>42,832</b>	<b>(1.1)</b>	<b>650</b>	<b>408</b>	<b>59.3</b>
<b>Total equity and liabilities</b>		<b>124,719</b>	<b>135,377</b>	<b>(7.9)</b>	<b>41,730</b>	<b>49,661</b>	<b>(16.0)</b>

\*n.m. – not meaningful

**C. Condensed statement of changes in equity**

	← <u>Attributable to owners of the Company</u> →						Non-controlling interests	Total equity
	<u>Share capital</u>	<u>Treasury shares</u>	<u>Accumulated losses</u>	<u>Foreign currency translation reserve</u>	<u>Share options reserve</u>	<u>Total</u>		
<u>Group</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Current year</b>								
At 1 July 2020	84,190	(58)	(35,522)	(2,258)	4,598	50,950	41,595	92,545
<b>Changes in equity</b>								
Loss for the year	–	–	(8,295)	–	–	(8,295)	(2,264)	(10,559)
Other comprehensive loss for the year	–	–	–	385	–	385	6	391
Total comprehensive loss for the year	–	–	(8,295)	385	–	(7,910)	(2,258)	(10,168)
<b>At 30 June 2021</b>	<b>84,190</b>	<b>(58)</b>	<b>(43,817)</b>	<b>(1,873)</b>	<b>(4,598)</b>	<b>43,040</b>	<b>39,337</b>	<b>82,377</b>
<b>Previous year</b>								
At 1 July 2019	84,190	(58)	(24,530)	(2,251)	4,598	61,949	43,460	105,409
<b>Changes in equity</b>								
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)
<b>At 30 June 2020</b>	<b>84,190</b>	<b>(58)</b>	<b>(35,522)</b>	<b>(2,258)</b>	<b>4,598</b>	<b>50,950</b>	<b>41,595</b>	<b>92,545</b>

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

	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Share options reserve S\$'000	Total equity S\$'000
<b>Company</b>					
<b>Current year</b>					
At 1 July 2020	84,190	(58)	(39,477)	4,598	49,253
<b>Changes in equity</b>					
Loss for the year	–	–	(8,173)	–	(8,173)
<b>At 30 June 2021</b>	<b>84,190</b>	<b>(58)</b>	<b>(47,650)</b>	<b>4,598</b>	<b>41,080</b>
<b>Previous year</b>					
At 1 July 2019	84,190	(58)	(23,524)	4,598	65,206
<b>Changes in equity</b>					
Loss for the year	–	–	(15,953)	–	(15,953)
<b>At 30 June 2020</b>	<b>84,190</b>	<b>(58)</b>	<b>(39,477)</b>	<b>4,598</b>	<b>49,253</b>

**D. Condensed consolidated statement of cash flows**

	<b>Group</b>	
	<b>12 months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash Flows From Operating Activities</b>		
Loss before tax	(12,915)	(13,340)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	1,460	987
Amortisation of intangible assets	2,441	2,540
Interest income	(1)	(7)
Finance costs	2	3
Loss on disposal of property, plant and equipment	1,213	–
Allowance for impairment loss on trade receivables	118	–
Allowance for impairment on goodwill	–	6,607
Allowance for impairment on intangible assets	6,300	881
Unrealised currency translation gain	137	32
Operating cash flows before changes in working capital	(1,245)	(2,297)
Trade and other receivables	534	(854)
Trade and other payables	(1,725)	2,266
<b>Net cash flows used in operations</b>	<b>(2,436)</b>	<b>(885)</b>
Income taxes paid	–	–
<b>Net cash flows used in operating activities</b>	<b>(2,436)</b>	<b>(885)</b>
<b>Cash Flows From Investing Activities</b>		
Interest received	1	7
Purchases of property, plant and equipment	(204)	(3,156)
<b>Net cash flows used in investing activities</b>	<b>(203)</b>	<b>(3,149)</b>
<b>Cash Flows From Financing Activities</b>		
Lease liabilities	(46)	(44)
Advances from a related party	2,271	2,508
Interest paid	(2)	(3)
<b>Net cash flows from financing activities</b>	<b>2,223</b>	<b>2,461</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(416)</b>	<b>(1,573)</b>
Cash and cash equivalents at beginning of year	737	2,310
<b>Cash and cash equivalents, consolidated statement of cash flows, end of financial year</b>	<b>321</b>	<b>737</b>

## **E. Notes to the condensed consolidated financial statements**

### **1. Corporate information**

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

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

The principal activities of the subsidiaries are:

- (a) Tourism development and tourism management services
- (b) Real estate development
- (c) Hotel management services

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

### **2. Basis of Preparation**

The condensed financial statements for the second half and full year ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited annual financial statements for the year ended 30 June 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Singapore dollar which is the Company’s functional currency.

#### **2.1 New and amended standards adopted by the Group**

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



## **2.2 Use of judgements and estimates**

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 30 June 2020.

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

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

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

- Note 8 - Impairment assessment of property, plant and equipment and intangible assets
- Note 9 - Impairment assessment of investment in subsidiaries

## **3. Seasonal operations**

The Group's businesses experienced an increase in visitors during the major holidays in the PRC. Except for the above, the Group's businesses were not affected significantly by seasonal or cyclical factors during the financial year ended 30 June 2021.

#### 4. Segment and revenue information

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

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 makers, our Executive Chairman, and Acting Chief Executive Officer and Chief Financial Officer, in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

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

- (i) The leisure and hospitality segment is those of tourism development and tourism management services.
- (ii) The 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 S\$'000	Unallocated segment S\$'000	Group S\$'000
<b>From 1 January 2021 to 30 June 2021 (Unaudited)</b>			
Sales to external customers	1,116	–	1,116
<b>Recurring EBITDA</b>	(7,809)	(457)	(8,266)
Depreciation and amortisation expenses	(1,985)	(30)	(2,015)
<b>ORBIT</b>	(9,794)	(487)	(10,281)
Interest income	–	–	–
Finance costs	–	(2)	(2)
Legal and professional fee	(2)	(105)	(107)
Loss before tax	(9,796)	(594)	(10,390)
Income tax expense	2,090	–	2,090
<b>Loss after tax</b>	(7,706)	(594)	(8,300)
<b>From 1 January 2020 to 30 June 2020 (Unaudited)</b>			
Sales to external customers	910	–	910
<b>Recurring EBITDA</b>	(6,903)	(436)	(7,339)
Depreciation and amortisation expenses	(2,015)	(76)	(2,091)
<b>ORBIT</b>	(8,918)	(512)	(9,430)
Interest income	1	4	5
Finance costs	–	(3)	(3)
Legal and professional fee	(5)	(92)	(97)
Loss before tax	(8,922)	(603)	(9,525)
Income tax expense	196	–	196
<b>Loss after tax</b>	(8,726)	(603)	(9,330)

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

**4B. Profit or Loss from Continuing Operations and Reconciliations (cont'd)**

	Leisure and hospitality S\$'000	Unallocated segment S\$'000	Group S\$'000
<b>From 1 July 2020 to 30 June 2021 (Unaudited)</b>			
Sales to external customers	2,429	–	2,429
<b>Recurring EBITDA</b>	(7,890)	(919)	(8,809)
Depreciation and amortisation expenses	(3,855)	(46)	(3,901)
<b>ORBIT</b>	(11,745)	(965)	(12,710)
Interest income	–	–	–
Finance costs	–	(2)	(2)
Legal and professional fee	(27)	(176)	(203)
Loss before tax	(11,772)	(1,143)	(12,915)
Income tax expense	2,356	–	2,356
<b>Loss after tax</b>	(9,416)	(1,143)	(10,559)
<b>From 1 July 2019 to 30 June 2020 (Audited)</b>			
Sales to external customers	1,487	–	1,487
<b>Recurring EBITDA</b>	(8,424)	(1,005)	(9,429)
Depreciation and amortisation expenses	(3,451)	(76)	(3,527)
<b>ORBIT</b>	(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
<b>Loss after tax</b>	(11,484)	(1,368)	(12,852)

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

#### 4C. Assets and Reconciliations

	Leisure and hospitality S\$'000	Unallocated segment S\$'000	Group S\$'000
<b><u>As at 30 June 2021 (Unaudited)</u></b>			
Total assets for reportable segment			
- Property, plant and equipment	19,416	77	19,493
- Intangible assets	103,318	–	103,318
- Trade and other receivables	1,561	26	1,587
- Cash and cash equivalent	69	252	321
<b>Total</b>			<b>124,719</b>
<b><u>As at 30 June 2020 (Audited)</u></b>			
Total assets for reportable segment			
- 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
<b>Total</b>			<b>135,377</b>

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

#### 4D. Liabilities and Reconciliations

	Leisure and hospitality S\$'000	Unallocated segment S\$'000	Group S\$'000
<b><u>As at 30 June 2021 (Unaudited)</u></b>			
Total liabilities for reportable segment			
- Deferred tax liabilities	24,014	–	24,014
- Lease liability, non-current	–	32	32
- Income tax payables	103	–	103
- Trade and other payables	17,559	589	18,148
- Lease liability, current	–	45	45
<b>Total</b>			<b>42,342</b>
<b><u>As at 30 June 2020 (Audited)</u></b>			
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
<b>Total</b>			<b>42,832</b>

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

#### 4E. Geographical information

	Group	
	6 months ended 30 June	
	2021 (Unaudited) S\$'000	2020 (Unaudited) S\$'000
<b>Revenue</b>		
- China	1,116	910
	1,116	910

	Group	
	12 months ended 30 June	
	2021 (Unaudited) S\$'000	2020 (Audited) S\$'000
<b>Revenue</b>		
- China	2,429	1,487
	2,429	1,487

	Group	
	As at 30 June 2021 (Unaudited) S\$'000	As at 30 June 2020 (Audited) S\$'000
	<b>Total consolidated assets</b>	
- China	124,364	134,759
- Singapore	355	618
	124,719	135,377

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

#### 4F. A breakdown of sales as follows

	Year ended 30 June 2021 S\$'000	Year ended 30 June 2020 S\$'000	Increase / (Decrease) %
Sales reported for the first half year	1,313	577	127.6
Operating loss after tax reported for first half year	(2,259)	(3,522)	(35.9)
Sales reported for the second half year	1,116	910	22.6
Operating loss after tax reported for second half year	(8,300)	(9,330)	(11.0)

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 30 June 2020:

	<u>Group</u>		<u>Company</u>	
	<u>2021</u> S\$'000	<u>2020</u> S\$'000	<u>2021</u> S\$'000	<u>2020</u> S\$'000
<u>Financial assets</u>				
Financial assets at amortised cost	1,908	2,976	234	588
	<u>1,908</u>	<u>2,976</u>	<u>234</u>	<u>588</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	18,225	16,364	650	408
	<u>18,225</u>	<u>16,364</u>	<u>650</u>	<u>408</u>

## 6. Loss before taxation

### 6.1 Significant items

	6 months ended 30 June		The Group 12 months ended 30 June			
	2021	2020	Increase / (Decrease)	2021	2020	Increase / (Decrease)
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Audited S\$'000	%
<u>Income</u>						
Sales of goods	55	45	22.2	101	78	29.5
Hotel operations	1,060	866	22.4	2,327	1,409	65.2
<u>Other Income</u>						
Interest income	1	7	(85.7)	1	7	(85.7)
Government subsidy income	(58)	387	>(100.0)	14	390	(96.4)
Jobs Support Scheme	31	–	–	31	–	–
Others	(42)	84	>(100.0)	17	89	(80.9)
<u>Expenses</u>						
Amortisation of intangible assets	1,268	1,283	(1.2)	2,441	2,540	(3.9)
Depreciation of property, plant and equipment	747	808	(7.5)	1,460	987	47.9
Legal and professional fees	107	278	(61.5)	203	388	(47.7)
Net foreign exchange (gain)/loss	(142)	(290)	(51.0)	(331)	1	–
Allowance for impairment loss on trade receivables	118	26	>100.0	118	26	>100.0
Loss on disposal of property, plant and equipment	1,213	–	–	1,213	–	–
Allowance for impairment on goodwill	–	6,607	–	–	6,607	–
Allowance for impairment on intangible assets	6,300	881	>100.0	6,300	881	>100.0

## 6.2 Related party transactions

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:

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	S\$'000	S\$'000
<u>Related parties</u>		
Development income/(expenses) of the Fei County Wonder Stone Characteristics Town Development Co., Ltd. <sup>(a)</sup>		
- Feixian Yin Du Dian Ti Co., Ltd. (费县银都电梯有限公司)	–	127
- Shandong Yin Guang Bao An Fu Wu Co., Ltd. (山东银光保安服务有限公司)	(57)	(65)
- Shandong Yin Guang Jian Zhu Zhuang Shi Co., Ltd. (山东银光建筑装饰工程有限公司)	–	(178)
Operating (expenses)/income of the Fei County Inzone Wonder Stone Cultural Hotel Co., Ltd. <sup>(a)</sup>		
山东银光钰源有限公司	–	3
山东银光化工集团	16	47
费县银光镁业有限公司	1	1
山东银光文化旅游产业集团有限公司	5	9
蒙山旅游区银光麦饭石文化旅游发展有限公司	4	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	10	9
山东银光建筑装饰工程有限公司	27	32
山东银光民爆器材有限公司	7	–
山东银光保安服务有限公司	14	–
费县银光消防服务有限公司	–	(9)
银光麦饭石水厂	(3)	(3)
山东银光保安服务有限公司	(15)	(6)
山东银光抽纱有限公司	(2)	(158)

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



### 6.3 Other payables to related parties

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

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

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	S\$'000	S\$'000
At beginning of year	(10,850)	(8,346)
Advances from a related party	(2,271)	(2,508)
Foreign exchange adjustments	(620)	4
At end of year	<u>(13,741)</u>	<u>(10,850)</u>

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

### 7. Net Assets Value

	<b>The Group</b>		<b>The Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
Net asset value ("NAV") (in S\$'000)	43,040	50,950	41,080	49,253
No. of ordinary shares ('000), excluding treasury shares	789,000	789,000	789,000	789,000
NAV per ordinary share based on Issued share capital (Singapore cents)	5.46	6.46	5.21	6.24

Net asset value per ordinary share as at 30 June 2021 and as at 30 June 2020 were calculated based on the existing number of shares in issue excluding treasury shares of 789,000,000 ordinary shares as at 30 June 2021 and 30 June 2020.

## 8. Intangible assets

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	S\$'000	S\$'000
Other intangible assets (Note 8A)	103,318	111,660
Goodwill (Note 8B)	–	–
	<u>103,318</u>	<u>111,660</u>

### 8A. Other intangible assets

<u>Group</u>	<u>Land use rights</u>	<u>Operating rights</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000
<u>Cost:</u>			
At 1 July 2019	7,626	112,143	119,769
Foreign exchange adjustments	(4)	–	(4)
At 30 June 2020	<u>7,622</u>	<u>112,143</u>	<u>119,765</u>
Foreign exchange adjustments	435	–	435
At 30 June 2021	<u>8,057</u>	<u>112,143</u>	<u>120,200</u>
<u>Accumulated amortisation:</u>			
At 1 July 2019	364	4,320	4,684
Amortisation for the year	191	2,349	2,540
At 30 June 2020	<u>555</u>	<u>6,669</u>	<u>7,224</u>
Amortisation for the year	207	2,233	2,440
Foreign exchange adjustments	37	–	37
At 30 June 2021	<u>799</u>	<u>8,902</u>	<u>9,701</u>
<u>Accumulated impairment:</u>			
At 1 July 2019	–	–	–
Impairment for the year	–	881	881
At 30 June 2020	<u>–</u>	<u>881</u>	<u>881</u>
Impairment for the year	–	6,300	6,300
At 30 June 2021	<u>–</u>	<u>7,181</u>	<u>7,181</u>
<u>Net book value:</u>			
At 1 July 2019	7,262	107,823	115,085
At 30 June 2020	<u>7,067</u>	<u>104,593</u>	<u>111,660</u>
At 30 June 2021	<u>7,258</u>	<u>96,060</u>	<u>103,318</u>

## 8A. Other intangible assets (cont'd)

Details of the Group's land use rights:

<u>Address</u>	<u>Land Area (Sq m)</u>	<u>Date of grant</u>	<u>Lease expiry date</u>
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.

During the reporting year, the Group has made an impairment allowance of S\$6,300,000 (FY2020: S\$881,000) 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 2021. See Note 8B for details.

## 8B. Goodwill

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	S\$'000	S\$'000
<u>Carrying value comprising</u>		
At cost	6,607	6,607
Allowance for impairment on goodwill	(6,607)	(6,607)
Foreign exchange adjustments	—	—
At end of year	<u>—</u>	<u>—</u>
	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	S\$'000	S\$'000
<u>Movement during the year, at carrying value</u>		
At beginning of year	—	6,607
Allowance for impairment on goodwill	—	(6,607)
Foreign exchange adjustments	—	—
At end of year	<u>—</u>	<u>—</u>

**8B. Goodwill (cont'd)**

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

	<u>2021</u>	<u>Group</u>	<u>2020</u>
	S\$'000		S\$'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

The goodwill 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 the management for financial year ended 30 June 2021 and by an independent professional valuer for financial year ended 30 June 2020. 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:

	<u>2021</u>	<u>2020</u>
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs	11.5%	13.2%
Budgeted growth rates forecasts by management based on expectations	2.5% - 80%	3% - 70%
Terminal value growth rate	2.5%	3%
Cash flow projections derived from the most recent financial budgets and plans approved by management	<u>11 years</u>	<u>11 years</u>

## 8B. Goodwill (cont'd)

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.

### Sensitivity test

	Other intangible <u>assets</u> S\$'000	Property, plant and <u>equipment</u> S\$'000
If 10% less favourable in estimated revenue, would be a need to reduce pro-rata the carrying value of CGU, by	22,413	3,970
If 10% less favourable in estimated gross margin, would be a need to reduce pro-rata the carrying value of CGU, by	27,202	4,818
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	6,403	1,134

During the financial year ended 30 June 2020, an impairment allowance of S\$6,607,000 was recognised based on the recoverable amount determined using the above assumptions.

## 9. Investments in subsidiaries

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	S\$'000	S\$'000
<u>Carrying value comprising</u>		
Unquoted equity shares at cost	55,960	55,960
Allowance for impairment	(24,146)	(17,073)
Quasi-equity loans receivable	6,294	6,245
	<u>38,108</u>	<u>45,132</u>

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	S\$'000	S\$'000
<u>Movement during the year, at carrying value</u>		
At beginning of year	45,132	59,714
Impairment allowance	(7,073)	(14,625)
Quasi-equity loans	49	43
At end of year	<u>38,108</u>	<u>45,132</u>
<u>Movements in allowance for impairment</u>		
At beginning of year	17,073	11,675
Impairment allowance charged to profit or loss	7,073	5,398
Impairment allowance written off	–	–
At end of year	<u>24,146</u>	<u>17,073</u>

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 S\$6,900,000 (FY2020: S\$14,625,000) 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 8.

## 10. Property, plant and equipment

During the twelve months ended 30 June 2021, the Group acquired assets amounting to \$295,000 (30 June 2020: \$3,232,000).

## 11. Borrowings

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

	As at 30 June 2021		As at 30 June 2020	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Gross borrowings	–	–	–	–
Less: Transaction costs in relation to the bank loans	–	–	–	–
Net borrowings	–	–	–	–

### (b) Amount repayable after one year

	As at 30 June 2021		As at 30 June 2020	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Gross borrowings	–	–	–	–
Less: Transaction costs in relation to the bank loans	–	–	–	–
Net borrowings	–	–	–	–

### (c) Details of any collateral

As at 30 June 2021 and 30 June 2020, there were no borrowings or debt securities in issue.

Mr Sun Bowen, through companies related to him, has extended interest-free RMB-denominated advances amounting to S\$13.741 million (30 June 2020: S\$10.85 million) to the Group for working capital purposes. The amount at risk of the interest free advances is zero. This is also disclosed under Section F Item 13, Other Information required by Appendix 7C to the Catalist Rules.

## 12. Share capital

### Issued and fully paid ordinary share capital

	<b>Number of Shares '000</b>	<b>Issued share capital S\$'000</b>
Balance as at 30 June 2021 and 31 December 2020 (excluding Treasury Shares and subsidiary holdings)	789,000	84,190

As at 30 June 2021, the Company held 1,000,000 ordinary shares as treasury shares (30 June 2020: 1,000,000). As at 30 June 2021, the Company does not have any subsidiary holdings (30 June 2020: Nil).

There was no change in the Company's share capital between 30 June 2021 and 30 June 2020. The total number of issued shares of the Company excluding treasury shares and subsidiary holdings as at 30 June 2021 and 30 June 2020 was 789,000,000 shares.

The number of shares that may be issued on conversion of share options as at 30 June 2021 was 600,000,000 shares (30 June 2020: 600,000,000).

### Treasury shares and subsidiary holdings

	<b>30 June 2021</b>	<b>30 June 2020</b>
Treasury shares	1,000,000	1,000,000
Subsidiary holdings	–	–
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings	0.1%	0.1%

## 13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.



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

## OTHER INFORMATION

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

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

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

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

Refer to section E under Note 6. Notes to the condensed consolidated financial statements.

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

Refer to section B. Condensed statements of financial position.

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

Refer to section E under Note 11. Notes to the condensed consolidated financial statements.

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

Refer to section D. Condensed consolidated statement of cash flows.

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

Refer to section C. Condensed statements of changes in equity.

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

Refer to section E under Note 12. Notes to the condensed consolidated financial statements.

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

	<b>30 June 2021 '000</b>	<b>30 June 2020 '000</b>
Total number of issued shares	790,000	790,000
Treasury shares	(1,000)	(1,000)
Total number of issued shares, excluding treasury shares	<u>789,000</u>	<u>789,000</u>

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

There were no sales, transfers, cancellations and/or use of treasury shares by the Company as at 30 June 2021 (30 June 2020: Nil).

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

There were no sales, transfers, cancellations and/or use of subsidiary holdings by the Company as at 30 June 2021 (30 June 2020: Nil).

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

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

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

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

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

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

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

Not applicable as the latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Save for the adoption of new and amended standards as set out in Note 2.1 (Notes to the condensed consolidated financial statements), the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period ended 30 June 2021 as applied to the audited annual financial statements for the financial year ended 30 June 2020.

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

Not applicable.

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

	<b>The Group</b>	
	<b>12 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Loss attributable to equity holders of the Company	(8,295)	(10,992)
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares	789,000	789,000
<b>Loss per share</b>		
Basic and diluted loss per share *		
Singapore cents	(1.05)	(1.39)

**Note:**

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

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

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

Refer to section E under Note 7. Notes to the condensed consolidated financial statements.

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

#### **STATEMENT OF COMPREHENSIVE INCOME**

##### Revenue

Revenue was S\$2.429 million for the financial year ended 30 June 2021 ("FY2021") compared to S\$1.487 million for the financial year ended 30 June 2020 ("FY2020").

While the Group's revenue continued to be mainly derived from its management of the Wonder Stone Park (the "WSP") and the Wonder Stone Hotel (the "WSP Hotel"), the increase was primarily due to the operation of the WSP Hotel for the entire FY2021 compared to 9 months for FY2020 after the WSP Hotel officially commenced operations in late September 2019. In addition, the operations at the WSP Hotel in FY2020 were also suspended from January 2020 to March 2020 following the outbreak of COVID-19 within the People's Republic of China (the "PRC"). Subsequently, the WSP Hotel was able to gradually resume operations, albeit with safety measures in place, and experienced improvements in hotel room bookings, seminar bookings as well as banquet events in FY2021. That led to an increase in revenue in FY2021 compared to FY2020.

##### Other income

Other income decreased by S\$0.423 million from S\$0.486 million in FY2020 to S\$0.063 million in FY2021 mainly due to the absence of a S\$0.4 million one-off government subsidy income previously received from Fei County government by our subsidiary in the PRC in relation to the increased investment from our Singapore head office to our PRC subsidiary in FY2020.

##### Depreciation and amortisation

Depreciation and amortisation expenses increased by S\$0.374 million from S\$3.527 million in FY2020 to S\$3.901 million in FY2021 mainly due to the depreciation of the WSP Hotel for the entire FY2021, compared to FY2020 where the WSP Hotel was subject to depreciation for 9 months following its commencement of operations in late September 2019. In addition, in FY2021, there were also additions of property, plant and equipment (the "PPE") to the WSP Hotel, which resulted in an increase in depreciation.

##### Employee benefits expense

Employee benefits expense remained relatively consistent and had decreased by S\$0.040 million from S\$1.385 million in FY2020 to S\$1.345 million in FY2021.

##### Other operating expenses

Other operating expenses decreased by S\$0.239 million from S\$10.398 million in FY2020 to S\$10.159 million in FY2021 mainly due to an impairment allowance of S\$6.3 million recognized in FY2021 compared to S\$7.488 million recognised in FY2020. Excluding the impairment allowance recognised, other operating expenses increased by S\$0.949 million in FY2021 compared to FY2020. The increase is mainly due to the loss on disposal of property, plant and equipment of S\$1.213 million and allowance for impairment loss on trade receivables.

Allowance for impairment loss on trade receivables is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimate. At the end of the year ended 30 June 2021, the historical observed default rates were updated and changes in the forward-looking estimates were analysed. A loss allowance balance of S\$0.118 million for the Group was recognized.

Loss on disposal of property, plant and equipment of S\$1.213 million was mainly due to the disposal of a building that was no longer in use.

Consistent with prior years, an assessment for impairment for property, plant and equipment and other intangible assets, goodwill (at Group level) and investment in subsidiaries (at Company level) was performed. In FY2021, the Company prepared a discounted cash flow (“**DCF**”) analysis based on the value-in-use (“**VIU**”) approach and assessed that an impairment allowance of S\$6.3 million was recognized at Group level. The DCF analysis considered, among other matters, the commencement of the Group’s development project in the WSP (the “**Hongyun Lake Project**”) in July 2021, as well as the impact of COVID-19 on the development timeline for the rest of the WSP.

#### Finance costs

Consistent with the preceding year, finance costs incurred for FY2021 relate to the adoption of SFRS(I) 16 Leases (“**SFRS(I)16**”) in FY2020. Accordingly, the operating leases which the Group has entered into are examined and a finance cost is computed for FY2021. The value of the remaining lease period beyond FY2010 is recognised in non-current assets and a corresponding liability is recognised in non-current liabilities.

#### Income tax benefit

Income tax benefit comprised 25% deferred tax liabilities on the amortisation of the fair value of WSP operating rights over 50 years. Following the impairment of the property development rights, the deferred tax benefit which had been computed previously on the property development rights had correspondingly increased.

#### Exchange differences on translating foreign operations

Exchange differences on translating foreign operations increased from S\$0.012 million in FY2020 to S\$0.391 million in FY2021 mainly due to the higher fluctuation of exchange rates in FY2021 compared to FY2020.

Overall, the net loss for FY2021 was S\$10.559 million, compared to a net loss of S\$12.852 million in FY2020.

### **STATEMENT OF FINANCIAL POSITION**

#### Non-current assets

Overall, non-current assets decreased by S\$9.59 million from S\$132.401 million as at 30 June 2020 to S\$122.811 million as at 30 June 2021.

Property, plant and equipment (“**PPE**”) at the Group level of S\$19.493 million as at 30 June 2021 had decreased by \$1.248 million compared to \$20,741 million due to depreciation which is partially offset by additions.

PPE at the Company level increased following the adoption of SFRS(I)16 where the remaining lease period of the operating leases which the Company has entered into was recognised as an asset.

Intangible assets of S\$103,318 million relate mainly to the 50 years of property development rights that the Group holds over the WSP and had decreased due to amortization and the impairment allowance amounting to S\$6.3 million.

At the Company level, investments in subsidiaries decreased by S\$7.072 million following the assessment for impairment exercise as elaborated under Other operating expenses in the preceding paragraphs.

The loan receivable from a subsidiary at the Company level decreased from S\$3.911 million as at 30 June 2020 to S\$3.311 as at 30 June 2021 following the repayment from a subsidiary in December 2020. This amount is interest-free and is repayable in March 2028.

#### Current assets

Overall, current assets decreased by S\$1.068 million from S\$2.976 million as at 30 June 2020 to S\$1.908 million as at 30 June 2021.

Notwithstanding that the WSP Hotel commenced operations during FY2020, the development of the WSP is being undertaken in phases. The WSP was not fully operational in FY2021. This led to a decrease in cash and cash equivalents from S\$0.737 million as at 30 June 2020 to S\$0.321 million as at 30 June 2021. The decrease was mainly due to administrative expenses incurred by the PRC subsidiaries of approximately S\$0.3 million as well as the administrative expenses incurred by the Company of approximately S\$1.3 million as a listed entity.

Trade and other receivable decreased from S\$2.239 million as at 30 Jun 2020 to S\$1.587 million as at 30 Jun 2021. This is mainly due to a decrease in receivables from corporate clients of the WSP Hotel.

#### Non-current liabilities

Non-current liabilities decreased by S\$2.325 million from S\$26.371 million as at 30 June 2020 to S\$24.046 million as at 30 June 2021.

Consistent with preceding financial years, deferred tax liabilities of S\$24.014 million relate to the 25% deferred tax (PRC tax) on the fair value of the 50 years of property development rights.

Following both the amortization and impairment of the property development rights, the deferred tax liabilities which had been computed previously on the property development rights had correspondingly decreased.

#### Current liabilities

Current liabilities increased by S\$1.835 million from S\$16.461 million as at 30 June 2020 to S\$18.296 million as at 30 June 2021. This was mainly due to increase in other payables of approximately S\$2.2 million arising from the advances from companies related to our Executive Chairman.



Following the adoption of SFRS(I) 16 Leases (“**SFRS(I)16**”) in FY2020, the operating leases which the Group has entered into are examined and a finance cost is computed for FY2021. The value of the remaining lease period beyond FY2021 is recognised in non-current assets and a corresponding liability of S\$45,000 is recognised in current liabilities as lease liability.

#### Working capital

Notwithstanding that the WSP Hotel commenced operations during FY2020, the development of the WSP is being undertaken in phases, and the WSP was not fully operational in FY2021. This led to a negative working capital of S\$16.388 million as at 30 June 2021 as compared to S\$13.485 million as at 30 June 2020. The increase was mainly due to increase in other payables of approximately S\$2.2 million arising from the advances from companies related to our Executive Chairman, and the administrative expenses incurred by the Company of approximately S\$1.3 million as a listed entity. The Group is able to meet its working capital needs in view of the undertaking by its Executive Chairman to, provide continued financial support as required to meet its liabilities as and when they fall due and subordinate the claim of the amount owing to its Executive Chairman to those of the other creditors and not to demand payment from the Group until the Group is in a financial position to do so. In addition, management will continue its efforts to improve its financial position.

#### STATEMENT OF CASH FLOWS

Net cash flows used in operating activities was S\$2.436 million as at 30 June 2021 as compared to net cash flow used in operating activities amounting to S\$0.885 million as at 30 June 2020. The increase was mainly due to an decrease in trade and other receivables as well as an increase in trade and other payables in the FY2021.

Net cash flows used in investing activities was S\$0.203 million as at 30 June 2021 as compared to net cash flow used in investing activities S\$3.149 million as at 30 June 2020. The decrease was mainly due to lower additions of PPE following the commencement of operations of the WSP Hotel in FY2020.

Net cash flows from financing activities was S\$2.223 million as compared to S\$2.461 million as at 30 June 2020. This was mainly due to advances from a related party.

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

No forecast or prospect statement was previously given.

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

The re-emergence of COVID-19 recently in the PRC has dampened domestic consumer sentiments and affected the gradual recovery into normalcy. The authorities have also reinstated a number of containment measures which will affect the movement of people within the PRC. International travel restrictions continue to be in place and the domestic travelling of residents within the PRC is expected to decline. Faced with an envisaged decrease in the number of work and leisure travellers coupled with short-term restrictions on banquet events imposed by the authorities, the operations of the WSP Hotel are expected to be affected. The Group will continue to monitor the situation closely and take the necessary measures to safeguard the interests of its employees and the Group.

The Company has recently commenced the development of the Hongyun Lake Project within the WSP on its plot of land previously acquired. With a land area of 13,409 square metres, the commercial project will have a built-up area of approximately 20,822 square metres with 13 3-storey blocks to be developed over the next 3 years.

On the proposed development and operation of an "ESCAPE" theme park, there have been delays due to the re-emergence of COVID-19 in the PRC. Discussions with the PRC regulatory authorities continue to be underway.

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

**(a) Current financial period reported on**

None.

**(b) Corresponding period of the immediately preceding financial year**

None.

**(c) Date Payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

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

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

No interested person transaction mandate has been obtained from shareholders of the Company. Save for interest-free advance amounting to S\$2.2 million by a related company of our Executive Chairman (the amount at risk of which is zero), there was no interested person transaction of S\$100,000 and above entered into by the Group for the financial year ended 30 June 2021. The aggregate value of all IPTs during FY2021 is less than S\$100,000.

As at the date of this announcement, Mr. Sun Bowen has, through companies related to him, extended advances amounting to an aggregate of S\$13.741 million (30 June 2020: S\$10.85 million) in other payables as disclosed under Note 6.3 Other payables to related parties under Section E. As the aforementioned payables to Mr. Sun Bowen are interest-free, there is no amount at risk to the Group.

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

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

Refer to section E under Note 4B, 4C, 4D and 4E. Notes to the condensed consolidated financial statements.

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

Please refer to paragraph 8 above for more details on the factors leading to the material changes in contributions to turnover and earnings of the Leisure and hospitality segment.

- 16 A breakdown of sales as follows:**

Refer to section E under Note 4F. Notes to the condensed consolidated financial statements.

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

Total net annual dividend

	<b>2021</b>	<b>2020</b>
	\$'000	\$'000
Ordinary Dividend	–	–
Interim	–	–
Total	<u>–</u>	<u>–</u>

**18 Confirmation of Undertakings from Directors and Executive Officers under Rule 720(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“Catalist Rules”)**

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

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

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Wee Shuo Siong Milton	31	Son of Mr. Wee Henry, a substantial shareholder	Current position: Business development manager. Duties: Responsible for the business development of the Group. Year position first held: January 2018	No changes in duties and position during the year.

BY ORDER OF THE BOARD

**SUN BOWEN**  
Executive Chairman  
27 August 2021

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

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