

# WORLD CLASS GLOBAL LIMITED

(Company Registration No: 201329185H)  
(Incorporated in the Republic of Singapore)

## UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

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## 1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

### Consolidated Statements of Comprehensive Income For The Financial Year Ended 31 December 2017 (“FY 2017”)

	Group		Change %
	FY 2017 S\$'000	FY 2016 S\$'000	
Employee benefits	(3,528)	(1,954)	81%
Depreciation	(61)	(47)	30%
Net foreign exchange gain	1,712	1,843	-7%
Finance costs	(528)	(1,672)	-68%
Other operating expenses	(8,546)	(5,886)	45%
Interest income from bank balances	590	453	30%
Rental income	569	390	46%
Other income	138	45	207%
<b>Loss before tax</b>	<b>(9,654)</b>	<b>(6,828)</b>	<b>41%</b>
Income tax credit	380	441	-14%
<b>Loss for the year</b>	<b>(9,274)</b>	<b>(6,387)</b>	<b>45%</b>
<b>Other comprehensive income:</b> <i>Item that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation, representing other comprehensive income for the year	428	1,257	-66%
<b>Total comprehensive income for the year</b>	<b>(8,846)</b>	<b>(5,130)</b>	<b>72%</b>
<b><u>Loss for the year attributable to:</u></b>			
Owners of the Company	(9,034)	(6,341)	42%
Non-controlling interests	(240)	(46)	422%
	<b>(9,274)</b>	<b>(6,387)</b>	<b>45%</b>
<b><u>Total comprehensive income attributable to:</u></b>			
Owners of the Company	(8,628)	(5,169)	67%
Non-controlling interests	(218)	39	n.m
	<b>(8,846)</b>	<b>(5,130)</b>	<b>72%</b>
<b>Loss per share (cents)</b>			
Basic	<b>(1.04)</b>	<b>(0.79)</b>	<b>32%</b>
Diluted	<b>(1.04)</b>	<b>(0.79)</b>	<b>32%</b>

#### **Other information:-**

	FY 2017 S\$'000	FY 2016 S\$'000	Change %
Marketing and selling expenses	1,642	3,139	-48%
Listing expenses	1,707	980	74%
Allowance for write-down of development properties and properties held for sale	1,326	-	n.m
Net fair value gain on investment properties	38	-	n.m

n.m - Not meaningful

## 1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CON'T)

### NOTES:

- 1a. The increase in employee benefits expenses for FY 2017 was a result of (i) the transfer of staff from World Class Land Pte Ltd and its subsidiary ("WCL Group") to the Group on 1 March 2016; and (ii) higher provision for performance bonus. Prior to 1 March 2016, WCL Group was engaged to provide financial, management and support services to the Group. Following the aforementioned transfer of staff, such engagement was terminated.
- 1b. Depreciation expenses relate to depreciation of renovations, electrical fittings, furniture and fittings, computers and office equipment, which were insignificant in FY 2017 and FY 2016.
- 1c. Foreign exchange gain recorded in profit or loss arises from year end revaluation of the Company's loans to its subsidiaries and the loans drawn under the Multi-currency Specific Advance Facility ("MSAF") and the Money Market Loan ("MML") which are denominated in foreign currencies such as Australian Dollars ("AUD") or Malaysian Ringgit ("MYR").

The Group recorded a net foreign exchange gain in FY 2017 (which was largely unchanged from FY 2016), mainly due to the strengthening of both AUD and MYR against Singapore Dollars ("SGD") (the Group's reporting currency) between 1 January 2017 and 31 December 2017.

- 1d. The decrease in finance costs for FY 2017 (as compared to FY 2016) was mainly due to lower interest paid under the MSAF and MML banking facilities, and higher interest expenses capitalised under development properties.
- 1e. The increase in other operating expenses in FY 2017 (as compared to FY 2016) was mainly due to (i) listing expenses of S\$1.7 million in connection with the Company's initial public offering ("IPO") on the Catalist board of the Singapore Exchange Securities Trading Limited on 15 June 2017; (ii) higher holding costs incurred for properties held for sale; and (iii) allowance for write-down of development properties and properties held for sale.
- 1f. The increase in interest income in FY 2017 (as compared to FY 2016) was mainly due to higher quantum of interest-bearing deposits at banks.
- 1g. The increase in rental income in FY 2017 (as compared to FY 2016) was mainly due to an increase in rental income from properties held for sale and investment properties.
- 1h. The increase in other income in FY 2017 (as compared to FY 2016) was mainly due to forfeiture of deposit from a buyer and net fair value gain on investment properties.
- 1i. Income tax credit recorded in FY 2017 was mainly due to deferred tax assets recorded, partially offset by payment of withholding tax.

## 2. STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31-Dec-17 S\$'000	31-Dec-16 S\$'000	31-Dec-17 S\$'000	31-Dec-16 S\$'000
<b>Non-current assets</b>				
Plant and equipment	223	154	129	137
Investment properties	11,836	-	-	-
Investments in subsidiaries	-	-	236,042	158,644
Deferred tax assets	5,102	4,112	-	-
	17,161	4,266	236,171	158,781
<b>Current assets</b>				
Development properties	753,305	488,148	-	-
Properties held for sale	21,676	12,754	-	-
Trade and other receivables	4,404	15,827	43	43
Prepayments	942	645	49	442
Due from subsidiaries (non-trade)	-	-	269,714	283,790
Cash and bank balances	12,506	29,290	791	22,353
	792,833	546,664	270,597	306,628
<b>Total assets</b>	809,994	550,930	506,768	465,409
<b>Current liabilities</b>				
Trade and other payables	30,050	17,994	-	846
Interest-bearing loans and borrowings	216,550	14,965	2,425	-
Due to immediate holding company (non-trade)	239,697	228,474	239,184	226,892
Due to fellow subsidiaries (non-trade)	138,978	140,618	138,978	140,618
	625,275	402,051	380,587	368,356
<b>Net current assets/(liabilities)</b>	167,558	144,613	(109,990)	(61,728)
<b>Non-current liabilities</b>				
Other payables	2,468	1,640	-	-
Interest-bearing loans and borrowings	74,955	58,801	-	-
Deferred tax liabilities	148	-	148	-
	77,571	60,441	148	-
<b>Total liabilities</b>	702,846	462,492	380,735	368,356
<b>Net assets</b>	107,148	88,438	126,033	97,053
<b>Equity attributable to owners of the Company</b>				
Share capital	142,556	115,000	142,556	115,000
Other reserves	(3,829)	(4,235)	-	-
Revenue reserves	(40,602)	(31,568)	(16,523)	(17,947)
	98,125	79,197	126,033	97,053
Non-controlling interests	9,023	9,241	-	-
<b>Total equity</b>	107,148	88,438	126,033	97,053
<b>Total equity and liabilities</b>	809,994	550,930	506,768	465,409
<b>Net asset value per ordinary share (cents)</b>	10.71	9.84	13.76	12.06

## 2. STATEMENTS OF FINANCIAL POSITION (CON'T)

### 2a. Review of Financial Position

Equity attributable to owners of the Company increased from S\$79.2 million as at 31 December 2016 to S\$98.1 million as at 31 December 2017, due to an increase in share capital and other reserves, partially offset by a decrease in revenue reserves. The increase in share capital was due to the issuance of new ordinary shares in the capital of the Company pursuant to the IPO. The increase in other reserves was mainly due to foreign currency translation gain. The decrease in revenue reserves was due to losses incurred for FY 2017 attributable to owners of the Company.

The Group's total assets of S\$810.0 million as at 31 December 2017 was S\$259.1 million higher than that as at 31 December 2016, mainly due to an increase in development properties, properties held for sale and investment properties. The increase was partially offset by a decrease in trade and other receivables and cash and bank balances. The increase in development properties was mainly due to on-going construction costs, interest costs and development expenditures for *Australia 108* and *AVANT* projects, partially offset by the reclassification of completed properties in Malaysia to properties held for sale and investment properties. The increase in properties held for sale and investment properties was due to the completion of some projects in Malaysia. The decrease in cash and bank balances was mainly due to the payment of development expenditures for on-going projects, partially offset by (i) proceeds raised by the Company from the issuance of new ordinary shares in the capital of the Company pursuant to the IPO; (ii) issuance of *AVANT* Notes; and (iii) funding from immediate holding company. The decrease in trade and other receivables was due to the release of security deposits for *AVANT* and *Australia 108* after securing construction financing for both projects.

The Group's total liabilities of S\$702.8 million as at 31 December 2017 was S\$240.4 million higher than that as at 31 December 2016, mainly due to an increase in trade and other payables, amount due to immediate holding company (non-trade) as well as interest-bearing loans and borrowings. The increase was partially offset by a decrease in amount due to a fellow subsidiary (non-trade). The increase in trade and other payables was due to accrued expenses mainly in relation to the unbilled construction costs and interest expense. The increase in interest-bearing loans and borrowings was mainly due to the issuance of the first and second tranches of the *AVANT* Notes with total principal amount of A\$95.0 million, and drawdown of construction loan for *A108* project. The increase in amount due to immediate holding company (non-trade) was due to more funding from immediate holding company for working capital purposes. The decrease in amount due to a fellow subsidiary (non-trade) was due to repayment during the year.

### 3. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group	
	FY 2017 S\$'000	FY 2016 S\$'000
<b>Operating activities</b>		
Loss before tax	(9,654)	(6,828)
<u>Adjustments for:</u>		
Depreciation of plant and equipment	61	47
Interest income	(590)	(453)
Interest expense	528	1,672
Listing expenses	1,707	980
Unrealised foreign exchange gain	(1,716)	(1,843)
Allowance for write-down of development properties and properties held for sale	1,326	-
Net fair value gain on investment properties	(38)	-
<b>Operating cash flows before changes in working capital</b>	<b>(8,376)</b>	<b>(6,425)</b>
<u>Changes in working capital</u>		
Increase in development properties	(255,159)	(118,552)
Decrease/(increase) in trade and other receivables	11,551	(14,393)
(Increase)/decrease in prepayments	(242)	1,378
Increase in trade and other payables	13,064	16,156
<b>Cash flows used in operations</b>	<b>(239,162)</b>	<b>(121,836)</b>
Interest received	590	453
Interest paid	(27,370)	(22,697)
Income taxes paid	(2,817)	(1,603)
<b>Net cash flows used in operating activities</b>	<b>(268,759)</b>	<b>(145,683)</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(129)	(148)
Acquisition of non-controlling interests in a subsidiary	-	(17)
<b>Net cash flows used in investing activities</b>	<b>(129)</b>	<b>(165)</b>
<b>Financing activities</b>		
Proceeds from issuance of ordinary shares	28,645	-
Proceeds from interest-bearing loans and borrowings	220,540	53,479
Repayment of interest-bearing loans and borrowings	(3,877)	(95,476)
Increase in amounts due to immediate holding company (non-trade)	11,223	66,182
(Decrease)/increase in amounts due to fellow subsidiaries (non-trade)	(1,640)	112,381
Listing expenses paid	(2,851)	(1,153)
<b>Net cash flows from financing activities</b>	<b>252,040</b>	<b>135,413</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(16,848)</b>	<b>(10,435)</b>
Effect of exchange rate changes on cash and cash equivalents	64	(37)
<b>Cash and cash equivalents at beginning of year</b>	<b>29,290</b>	<b>39,762</b>
<b>Cash and cash equivalents at end of year</b>	<b>12,506</b>	<b>29,290</b>

### 3. CONSOLIDATED STATEMENTS OF CASH FLOWS (CON'T)

#### Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statements comprise the following amounts:-

	FY 2017 S\$'000	FY 2016 S\$'000
Cash at banks and on hand	4,673	27,042
Fixed deposits	7,833	2,248
<b>Cash and cash equivalents</b>	<b>12,506</b>	<b>29,290</b>

#### 3a. Cash Flows Analysis

##### FY 2017

Net cash used in operating activities for FY 2017 was S\$268.8 million (FY 2016: S\$145.7 million). This was mainly from the increase in development properties of S\$255.2 million, as well as interest expenses and income taxes paid of S\$30.2 million, partially offset by a decrease in trade and other receivables of S\$11.6 million and an increase in trade and other payables of S\$13.1 million.

Net cash used in investing activities was for the purchase of plant and equipment, amount of which was insignificant in FY 2017.

Net cash from financing activities for FY 2017 was S\$252.0 million (FY 2016: S\$135.4 million). This was mainly from (i) the IPO proceeds raised by the Company from the issuance of new ordinary shares in the capital of the Company pursuant to the IPO of S\$28.6 million; (ii) the increase in advances from immediate holding company (non-trade) and net proceeds from interest-bearing loans and borrowings (including the proceeds from the issuance of the AVANT Notes and construction loan from A108 project), partially offset by the repayment of amounts due to a fellow subsidiary (non-trade) and listing expenses paid.

As a result of the above, cash and cash equivalents balance decreased to S\$12.5 million as at 31 December 2017, from S\$29.3 million as at 31 December 2016.

#### 4. STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Share Capital S\$'000	Other reserves S\$'000	Revenue reserves S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Group</b>						
At 1 January 2017	115,000	(4,235)	(31,568)	79,197	9,241	88,438
Loss for the year	-	-	(9,034)	(9,034)	(240)	(9,274)
Other comprehensive income	-	-	-	-	-	-
Foreign currency translation	-	406	-	406	22	428
<b>Total comprehensive income for the year</b>	-	406	(9,034)	(8,628)	(218)	(8,846)
<b>Contributions by and distributions to owners</b>						
Issuance of ordinary shares	28,827	-	-	28,827	-	28,827
Listing expenses recorded against equity	(1,271)	-	-	(1,271)	-	(1,271)
<b>Total transactions with owners in their capacity as owners</b>	27,556	-	-	27,556	-	27,556
<b>At 31 December 2017</b>	<b>142,556</b>	<b>(3,829)</b>	<b>(40,602)</b>	<b>98,125</b>	<b>9,023</b>	<b>107,148</b>
<b>At 1 January 2016</b>						
At 1 January 2016	115,000	(5,396)	(25,227)	84,377	2,716	87,093
Loss for the year	-	-	(6,341)	(6,341)	(46)	(6,387)
Other comprehensive income	-	-	-	-	-	-
Foreign currency translation	-	1,172	-	1,172	85	1,257
<b>Total comprehensive income for the year</b>	-	1,172	(6,341)	(5,169)	39	(5,130)
<b>Contribution by and distributions to owners</b>						
Capital contribution from non-controlling interests, representing total changes in contributions by and distributions to owners	-	-	-	-	6,492	6,492
<b>Changes in ownership interests in a subsidiary</b>						
Acquisition of non-controlling interests in a subsidiary without a change in control	-	(11)	-	(11)	(6)	(17)
<b>Total transactions with owners in their capacity as owners</b>	-	(11)	-	(11)	6,486	6,475
<b>At 31 December 2016</b>	<b>115,000</b>	<b>(4,235)</b>	<b>(31,568)</b>	<b>79,197</b>	<b>9,241</b>	<b>88,438</b>

	Attributable to owners of the Company					
	Share Capital S\$'000	Other reserves S\$'000	Revenue reserves S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Company</b>						
At 1 January 2017	115,000	-	(17,947)	97,053	-	97,053
Profit for the year	-	-	1,424	1,424	-	1,424
<b>Contributions by and distributions to owners</b>						
Issuance of ordinary shares	28,827	-	-	28,827	-	28,827
Listing expenses recorded against equity	(1,271)	-	-	(1,271)	-	(1,271)
<b>Total transactions with owners in their capacity as owners</b>	27,556	-	-	27,556	-	27,556
<b>At 31 December 2017</b>	<b>142,556</b>	<b>-</b>	<b>(16,523)</b>	<b>126,033</b>	<b>-</b>	<b>126,033</b>
<b>At 1 January 2016</b>						
At 1 January 2016	115,000	-	(16,854)	98,146	-	98,146
Loss for the year	-	-	(1,093)	(1,093)	-	(1,093)
<b>At 31 December 2016</b>	<b>115,000</b>	<b>-</b>	<b>(17,947)</b>	<b>97,053</b>	<b>-</b>	<b>97,053</b>



## 5. CHANGES IN SHARE CAPITAL

	No. of shares	Issued and fully paid-up share capital
	'000	S\$ '000
Balance at 31 December 2016	115,000	115,000
Sub-division of every one issued ordinary share into seven issued ordinary shares (the "Sub-Division")	690,000	-
New ordinary shares issued pursuant to the IPO	100,700	26,182
New ordinary shares (over-allotment option granted by the Company pursuant to the IPO)	10,175	2,645
Listing expenses recorded against equity	-	(1,271)
Balance at 30 September 2017 and 31 December 2017	915,875	142,556

The Company does not have any treasury shares, subsidiary holdings or convertible instruments as at 31 December 2017 and 31 December 2016.

## 6. CHANGES IN TREASURY SHARES

Not applicable. The Company does not have any treasury shares.

## 7. CHANGES IN SUBSIDIARY HOLDINGS

Not applicable. The Company does not have any subsidiary holdings.

## 8. GROUP BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 31-Dec-17		As at 31-Dec-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
216,550	- (i)	14,965	-

Amount repayable after one year

As at 31-Dec-17		As at 31-Dec-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
74,955	-	58,801	-

### Details of collateral:

The Group's borrowings and debt securities are secured as follows:-

- i) corporate guarantees by the Company and Aspial Corporation Limited (controlling shareholder of the Company);
- ii) guarantees by non-controlling interests of a subsidiary;
- iii) first legal mortgages over the Company's subsidiaries' development properties;
- iv) fixed and floating charge on certain current assets and bank accounts of the Company and certain of its subsidiaries; and
- v) fixed and floating charge on all current assets of certain of the Company's subsidiaries.

## 8. GROUP BORROWINGS AND DEBT SECURITIES (CONT'D)

<sup>1</sup> As at 31 December 2017, an aggregate amount of S\$356.4 million (31 December 2016: S\$352.2 million) owing to the Company's immediate holding company and a fellow subsidiary remained outstanding and had been excluded from the table. This amount is interest-bearing and unsecured under a revolving credit facility which matures on 28 February 2021.

## 9. AUDITOR'S REPORT

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

## 10. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the financial year ended 31 December 2017 as those of the audited financial statements for the financial year ended 31 December 2016, as well as adopted all applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2017. The adoption of these new and revised FRSs has no material effect on the full year financial statements.

## 11. LOSS PER SHARE

	Group	
	FY 2017	FY 2016
	cents	cents
i) Basic loss per share	(1.04)	(0.79)
ii) Diluted loss per share	(1.04)	(0.79)
- Weighted average number of ordinary shares ('000)	864,805	805,000

Basic loss per share is calculated by dividing the loss for the respective financial years attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the respective financial years. For comparative and illustrative purposes, the basic loss per share for FY2016 was computed based on the number of ordinary shares in issue of 805,000,000 which had been retrospectively adjusted to reflect the Sub-Division.

Diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares existing during the respective financial years.

## 12. NET ASSET VALUE PER SHARE

	Group		Company	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Net asset value per ordinary share (cents)	10.71	9.84	13.76	12.06
Number of ordinary shares in issue ('000)	915,875	805,000	915,875	805,000

The number of ordinary shares in issue used in the computation of net asset value per ordinary share as at 31 December 2016 has been retrospectively adjusted to reflect the Sub-Division.

### 13. VARIANCE FROM FORECAST STATEMENT

No forecast for the financial year ended 31 December 2017 was previously provided.

### 14. REVIEW OF CORPORATE PERFORMANCE

The Group did not record any revenue from the sale of development properties as none of its development projects were completed and handed over to the purchasers in FY 2017.

For FY 2017, the Group recorded a loss before tax of S\$9.7 million, an increase of S\$2.9 million or 41% from S\$6.8 million in FY 2016. This was mainly due to increase in employee benefits, listing expenses incurred in connection with the IPO and higher holding costs incurred for properties held for sale in Malaysia.

The allowance for write-down of development properties and properties held for sale of S\$1.3 million was mainly made on the development properties in Malaysia due to an increase in interest costs and major refurbishment, upgrading and building work done.

The Group had taken into account the following amounting to S\$2.9 million for FY 2017:

1. Marketing and selling expenses of S\$1.6 million mainly for the marketing of the remaining units of *Australia 108* and *AVANT* projects and marketing for Phase 1 of *Nova City* in Cairns;
2. One-off listing expenses of S\$1.7 million for the IPO;
3. Allowance for write-down of S\$1.3 million for development properties in Malaysia as well as properties held for sale in Australia; and
4. Net foreign exchange gain of S\$1.7 million

Excluding the above, the Group's loss before tax would have been S\$6.8 million in FY 2017.

### 15. BUSINESS OUTLOOK

The table below provides an overview of the ongoing projects of the Group in Australia:

Project	Type	Total units	Launch date	No. of units launched	% sold based on no. of units launched
Australia 108 (Melbourne)	Residential & Commercial	1,103	4Q2014	1,103	98
AVANT (Melbourne)	Residential & Commercial	456	2Q2015	456	97
Nova City Tower 1 (Cairns)	Residential & Commercial	187	4Q2016	101	35

The Group has locked in more than S\$1.2 billion of sales revenue as at the date of this announcement.

As at the date of this announcement, the construction of *Australia 108* and *AVANT* is ahead of the planned structure completion schedule of which:-

1. *Australia 108* has been constructed up to level 40 out of 101; and
2. topping out ceremony of *AVANT* at level 56 was held on 7 February 2018.

According to the latest construction schedules, in 2018, we expect to complete the following:

1. 3 out of the 6 stages for *Australia 108*; and
2. all 2 stages for *AVANT*.

The Group expects to receive more than S\$700 million of sales proceeds when these completed development units are handed over to the purchasers. Part of the sales proceeds will be used to repay outstanding loans and cover the remaining construction and other development costs for the projects.

With the completion and handover of the development units, the Group expects its equity and cash position to strengthen and debt position to improve, in 2018.

In the next twelve months, the Group will continue with the sale of *Nova City* project and intends to launch Albert Street project in Brisbane, Australia, subject to market conditions in Brisbane then.

In Penang, Malaysia, the Group has completed the refurbishment, upgrading and building works of 13 properties.

## 16. SEGMENT INFORMATION

Geographical segments	Malaysia S\$ '000	Australia S\$ '000	Others S\$ '000	Eliminations S\$ '000	Group S\$ '000
<b><u>FY 2017</u></b>					
<b>Results</b>					
Segment results	(840)	(2,123)	(6,753)		(9,716)
Interest income	48	542	24,820	(24,820)	590
Finance costs	(528)	-	-		(528)
(Loss)/profit before tax from operations	(1,320)	(1,581)	18,067	(24,820)	(9,654)
<b>Segment assets, representing total assets</b>	134,594	674,387	1,013		809,994
<b>Segment liabilities, representing total liabilities</b>	144,562	447,262	111,022		702,846
<b><u>FY 2016</u></b>					
<b>Results</b>					
Segment results	(2,153)	(106)	(3,350)		(5,609)
Interest income	53	196	14,571	(14,367)	453
Finance costs	(637)	-	(1,035)		(1,672)
(Loss)/profit before tax from operations	(2,737)	90	10,186	(14,367)	(6,828)
<b>Segment assets, representing total assets</b>	121,445	406,510	22,975		550,930
<b>Segment liabilities, representing total liabilities</b>	122,555	255,372	84,565		462,492

## 17. BREAKDOWN OF REVENUE AND RESULTS

	Group		
	FY 2017 S\$ '000	FY 2016 S\$ '000	Change %
Revenue reported for first half year	-	-	-
Operating loss after tax before deducting non-controlling interests reported for first half year	(2,982)	(4,725)	-37%
Revenue reported for second half year	-	-	-
Operating loss after tax before deducting non-controlling interests reported for second half year	(6,292)	(1,662)	279%

## 18. INTERESTED PERSON TRANSACTIONS

The Group does not have a general mandate from the shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Catalyst Rules.

## 19. DIVIDEND

- (i) Any dividend declared for the current financial year reported on?  
No.
- (ii) Any dividend declared for the previous corresponding financial year?  
No.

## 20. USE OF PROCEEDS

The Company raised total net proceeds of approximately S\$24,516,000 (“Net Proceeds”) from the issue of (i) 100,000,000 new shares in connection with the IPO; and (ii) 10,174,500 new shares in connection with the partial exercise of an over-allotment option by the stabilising manager granted by the Company to the stabilising manager in connection with the IPO.

As at 31 December 2017, the Net Proceeds have been partially utilised as follows:

Use of Net Proceeds	Amount allocated for use as disclosed in the Company’s announcement dated 24 July 2017 S\$’000	Amount utilised as at 31 December 2017 S\$’000	Balance of the Net Proceeds as at 31 December 2017 S\$’000
Acquisition of properties and construction and other related costs (including marketing, corporate, administrative and finance expenses) in connection with the development properties	18,800	18,800	-
Working capital	5,716	5,348 <sup>(1)</sup>	368
Net Proceeds	24,516	24,148	368

Note:

- (1) Utilised mainly for staff salaries, rental expenses, travelling expenses and professional fees.

The Company will make periodic announcements via SGXNet on the utilisation of the balance of the Net Proceeds as and when such funds are materially disbursed.

**21. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDERS**

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**22. PROCURED UNDERTAKINGS BY THE BOARD AND EXECUTIVE OFFICERS PURSUANT TO RULE 720(1) OF THE CATALIST RULES**

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

**23. UPDATE ON AUSTRALIA'S FOREIGN INVESTMENT REGIME**

For the purposes of the Australian *Foreign Acquisitions and Takeovers Act 1975 (Cth)*, as amended by the *Foreign Acquisitions and Takeovers Legislation Amendment Act 2015 (Cth)* (the "FATA"), the Company would like to inform its shareholders that, as at 31 December 2017:

- (a) approximately 21% of the Company's and its subsidiaries' total assets consist of interests in Australian land assets (based on the exchange rate as at 31 December 2017 of A\$1.00 : S\$1.0431). Accordingly, the Company is not an Australian Land Corporation (as defined in Appendix A);
- (b) the Company holds an interest in 100% of the shares in World Class Land (Australia) Pty Ltd, in which gross Australian assets have a carrying value of approximately A\$607 million. Accordingly, World Class Land (Australia) Pty Ltd, is a Prescribed Australian Entity (as defined in Appendix A); and
- (c) the Company is an offshore company with respect to Australia, and the Company's Australian subsidiaries' aggregate assets in Australia amounted to approximately A\$607 million. Accordingly, the Company is an Offshore Corporation (as defined in Appendix A).

Please refer to Appendix A for information relating to the relevant FATA requirements.

On behalf of the Board,

NG SHENG TIONG  
CEO

KOH WEE SENG  
NON-EXECUTIVE CHAIRMAN

13 February 2018

### Foreign persons acquiring interests in an Australian Land Corporation

An Australian Land Corporation (or ALC) is a corporation where the sum of the values of its and its subsidiaries' interests in Australian land assets exceeds 50% of the sum of the values of their total assets.

Under the FATA, a foreign person who proposes to acquire an interest in an ALC is required to notify the Treasurer of Australia (the "Australian Treasurer") (through the Foreign Investment Review Board (the "FIRB")) and obtain a statement of no objections ("FIRB Approval") prior to such investment.

A 'foreign person' is:

- (a) a natural person not ordinarily resident in Australia ("Non-Australian Resident");
- (b) a corporation in which a Non-Australian Resident, a foreign corporation (being a corporation incorporated in a country other than Australia) ("Non-Australian Corporation"), or a foreign government holds a substantial interest (an interest of at least 20%);
- (c) a corporation in which two or more persons, each of whom is either a Non-Australian Resident, a Non-Australian Corporation, or a foreign government hold in aggregate a substantial interest (an aggregate interest of at least 40%);
- (d) the trustee of a trust in which a Non-Australian Resident, a Non-Australian Corporation, or a foreign government holds a substantial interest (an interest of at least 20%);
- (e) the trustee of a trust in which two or more persons, each of whom is either a Non-Australian Resident, a Non-Australian Corporation, or a foreign government hold in aggregate a substantial interest (an aggregate interest of at least 40%);
- (f) a foreign government;
- (g) a general partner of a limited partnership who is a Non-Australian Resident, a Non-Australian Corporation, or a foreign government who holds an interest of at least 20% in the partnership; or
- (h) a general partner of a limited partnership in which two or more persons each of whom is a Non-Australian Resident, a Non-Australian Corporation, or a foreign government hold an aggregate interest of at least 40% in the partnership.

Pursuant to the FATA, an acquisition of shares by a foreign person in an ALC will not require pre-notification if all of the following conditions are satisfied:

- (a) the acquisition is of an interest in Australian land that is an acquisition of an interest in shares or units in a land entity;
- (b) the land entity is or will be listed for quotation in the official list of a stock exchange (whether or not in Australia);
- (c) after the acquisition, the foreign person, alone or together with one or more associates, holds an interest of less than 10% in the land entity; and
- (d) the foreign person is not in a position:
  - (i) to influence or participate in the central management and control of the land entity; or
  - (ii) to influence, participate in or determine the policy of the land entity.

In the event the Company is an ALC:

- conditions (a) and (b) above will be satisfied; and
- conditions (c) and (d) above will be satisfied so long as (i) the foreign person (alone or together with one or more associates), holds an interest of less than 10% in the Company; and (ii) such foreign person is not in a position to influence or participate in the central management and control of the Company or influence, participate in or determine the policy of the Company.

As such, an acquisition of Shares by a foreign person who satisfies conditions (c) and (d) will not be required to pre-notify and obtain FIRB Approval prior to such acquisition.

However, an acquisition of Shares by a foreign person who does not satisfy conditions (c) and (d) will be required to pre-notify and obtain FIRB Approval prior to such acquisition.

The obligation to notify and obtain FIRB Approval is imposed upon the acquirer of the interest (i.e. any persons who acquire shares in an ALC). The failure to notify and obtain FIRB Approval is an offence under the FATA by the acquirer of such interest which, if the acquirer is convicted, could result in a fine to, or imprisonment of, the acquirer of the shares, or both. The failure by an acquirer to notify and obtain FIRB Approval does not have a direct impact on the ALC as the requirement to notify is, and any penalties for not doing so are, only imposed on the acquirer of the shares.

While the acquisition of an interest in an ALC without prior notification and FIRB Approval is an offence, a failure to notify does not make such acquisition invalid or illegal. However, if the Australian Treasurer considers the proposed acquisition by a foreign person of an interest in an ALC to be contrary to Australia's national interest, the Australian Treasurer has powers to make adverse orders on the foreign person, including prohibition of the acquisition, if such acquisition has not occurred, or ordering the disposal of the interest acquired, if such acquisition has already occurred.

Under the FATA, in the event an acquirer of an interest in an ALC fails to notify the FIRB and obtain FIRB Approval for the acquisition, and the Australian Treasurer orders the disposal of the interest acquired, the disposal of such interest must be made within such period as specified in the disposal order.

The Australian Government's foreign investment policy ("Policy") states that the Australian Government's policy is to channel foreign investment into new dwellings and that all applications for FIRB Approval are considered in light of the overarching principle that proposed investment should increase Australia's housing stock.

Notification to the FIRB can be made online via the FIRB's website at [www.firb.gov.au](http://www.firb.gov.au). A fee is payable for all foreign investment applications. The notification requires information to be provided about the applicant, including, among other things, its structure and financial information, about the relevant Australian Land Corporation and the proposed acquisition.

The Australian Treasurer has a period of 30 days in which to make a decision on an application. This period may be extended for a further period of up to 90 days if the Australian Treasurer is of the view that additional time is required to assess the application.

**Foreign persons acquiring interests in a company whose Australian subsidiaries or gross Australian assets (whether represented by interests in Australian land or otherwise) are valued above A\$252 million (or such other amount as is prescribed by the Australian Government regulation)**

***When such action is a notifiable action***

As highlighted above, an action is a notifiable action, if, amongst other things, a foreign person acquires a substantial interest in an Australian entity, being an entity incorporated in Australia, whose Australian subsidiaries or gross Australian assets (whether represented by interests in Australian land or otherwise) are valued above A\$252 million or such other amount as is prescribed by the Australian Government regulation (a "Prescribed Australian Entity").

As the Company is not incorporated in Australia, acquisitions of Shares in the Company will not be considered an acquisition of an interest in an Australian entity. As such, an acquisition of a substantial interest in the Company will not be a notifiable action and thus will not require pre-notification and FIRB approval before such an acquisition, unless the acquisition results in the acquirer being able to exercise or control the exercise of a right attaching to shares in any Australian subsidiaries of the Company which are Prescribed Australian Entities.

**Any foreign person who proposes to enter into a transaction or arrangement that would entitle the foreign person to potentially exercise control over rights attaching to shares in an Australian entity or an Australian Land Corporation should satisfy themselves as to their compliance with Australia's foreign investment regime before entering into the transaction or arrangement.**



***When such action is a significant action***

Under the FATA, if an action is a significant action, a foreign person may voluntarily pre-notify and obtain FIRB Approval for such significant action. In the context of acquisitions of shares, an action is a significant action, if:

- (i) the action is to acquire interests in securities in an entity;
- (ii) the threshold test is met in relation to the entity (that is, the entity has gross Australian assets or Australian subsidiaries valued at more than A\$252 million or such other amount as is prescribed by Australian Government regulation);
- (iii) the entity is a holding entity of a corporation that is a relevant entity that carries on an Australian business, whether alone or together with one or more other persons;
- (iv) the action is taken by a foreign person; and
- (v) there would be or has been change in control of the entity as a result of the action.

This means that an action is a significant action if a foreign person (i) acquires an interest in an offshore company whose Australian subsidiaries or gross Australian assets (whether represented by interests in Australian land or otherwise) are valued above A\$252 million or such other amount as is prescribed by Australian Government regulation (the “Offshore Corporation”), and (ii) such acquisition results in there being a ‘change of control’ of the Offshore Corporation.

Generally, there will be a ‘change of control’ under the FATA if, amongst other things, a foreign person acquires a substantial interest<sup>1</sup> in the entity as a result of the acquisition.

Whilst a proposed acquisition of an interest in an Offshore Corporation by a foreign person which gives rise to a change in control in the Offshore Corporation (i) does not require mandatory pre-notification under the FATA (as the Offshore Corporation is an offshore company) and (ii) does not expose the acquirer to potential penalties for breach of the FATA, as the failure to notify prior to acquisition is not a breach of the FATA, if the Australian Treasurer forms the view that the proposed acquisition of an interest in an Offshore Corporation is contrary to the national interest, the Australian Treasurer may make an order blocking the proposed acquisition, if such acquisition has not occurred, or ordering a disposal of the interest acquired, if such acquisition has already occurred. The timelines for approval of an acquisition of an interest in an Offshore Corporation and for disposal of that interest in the event that a disposal order is made by the Australian Treasurer are the same as set out above in relation to the acquisition of interests in ALCs.

The Offshore Corporation provisions operate independently of the ALC provisions. Both regimes may apply to a proposed acquisition - for example, in relation to the proposed acquisition of a substantial interest in a company with Australian assets greater than A\$252 million (and of which more than 50% of its assets constitute interests in Australian land in circumstances where a relevant exemption does not apply).

If both the ALC provisions and the Offshore Corporation provisions apply, only one (1) FIRB notification is required. The FATA provides that any approval of the Australian Treasurer for the purposes of the provisions of the FATA dealing with ALCs will also be an approval for the purposes of the provisions of the FATA dealing with Offshore Corporations.

**It is the responsibility of any persons who wish to acquire Shares in the Company to satisfy themselves as to their compliance with Australia’s foreign investment regime which is set out in the FATA and the Policy before acquiring Shares in the Company.**

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<sup>1</sup> An interest of at least 20% in an entity.