

IMPERIUM CROWN LIMITED

(The “Company”)



**Full-Year Financial
Statements for the Financial Year
Ended 30 June 2019**

23 August 2019

Company Registration Number: 1995-05053-Z

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Note:

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

UNAUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2019

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

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.

	Note	The Group 12 months ended 30 June		Increase/ (Decrease) %
		2019 Unaudited S\$'000	2018 Audited S\$'000	
Revenue	A	115	875	(86.9)
Other income	B	44	366	(88.0)
Direct operating expenses for investment properties	C	–	(1,063)	(100.0)
Depreciation and amortisation expenses	D	(2,631)	(2,355)	11.7
Employee benefits expense	E	(928)	(5,715)	(83.8)
Other operating expenses	F	(2,255)	(6,105)	(63.1)
Finance costs	G	–	(423)	(100.0)
Net fair value gain on financial derivatives	H	–	101	(100.0)
Loss before tax		(5,655)	(14,319)	(60.5)
Income tax benefit/(expense)	I	572	(547)	n.m.*
Loss for the year		(5,083)	(14,866)	(65.8)
<u>Other comprehensive income</u>				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		(3,768)	(304)	>100.0
Realisation of foreign translation reserve on liquidation of foreign subsidiaries		(1,265)	(5,240)	(75.9)
Other comprehensive loss for the year, net of tax		(5,033)	(5,544)	(9.2)
Total comprehensive loss for the year		(10,116)	(20,410)	(50.4)
Net loss attributable to:				
Equity holders of the Company		(3,472)	(13,463)	(74.2)
Non-controlling interests		(1,611)	(1,403)	14.8
		(5,083)	(14,866)	(65.8)
Total comprehensive loss attributable to:				
Equity holders of the Company		(6,778)	(19,007)	(64.3)
Non-controlling interests		(3,338)	(1,403)	137.9
		(10,116)	(20,410)	(50.4)

*n.m. – not meaningful

Please refer to paragraph 8 on pages 13 to 15 for further explanations of the respective Notes.

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

	The Group		
	12 months ended 30 June		
	2019	2018	Increase/ (Decrease)
	Unaudited	Audited	%
	S\$'000	S\$'000	
Amortisation of intangible assets	2,509	2,295	9.3
Claim settlement by former director	–	(185)	(100.0)
Depreciation of property, plant and equipment	122	60	103.3
Government subsidy income	(17)	(103)	(83.5)
Interest Income	(19)	(23)	(17.4)
Interest on borrowings	–	139	(100.0)
Legal and professional fees	426	2,800	(84.8)
Loss on disposal of investment properties	–	7,668	(100.0)
Net foreign exchange loss/(gain)	235	(6)	n.m.*
Reversal for impairment loss on trade receivables	–	(12)	(100.0)
Realisation of translation reserves on liquidation of foreign subsidiaries	(1,265)	(5,240)	(75.9)
Share options expense	–	4,598	(100.0)

* n.m. – not meaningful

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

		Group			Company		
		30 June	30 June	1 July	30 June	30 June	1 July
		2019	2018	2017	2019	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Note	Unaudited	Audited	Audited*	Unaudited	Audited	Audited*
ASSETS							
Non-current assets							
Property, plant and equipment		18,536	14,012	5	1	2	5
Intangible assets		115,085	122,059	–	–	–	–
Amount due from subsidiaries		–	–	–	3,911	6,000	–
Investments in subsidiaries		–	–	–	59,714	53,600	36,211
Goodwill		6,607	6,856	–	–	–	–
Trade and other receivables		–	–	6,000	–	–	6,000
Total non-current assets	J	<u>140,228</u>	<u>142,927</u>	<u>6,005</u>	<u>63,626</u>	<u>59,602</u>	<u>42,216</u>
Current assets							
Assets held for sale		–	–	67,020	–	–	–
Trade and other receivables		1,385	650	217	24	28	14
Cash and cash equivalents		2,310	9,140	1,160	1,838	8,696	731
Restricted cash		–	–	3,196	–	–	–
Total current assets	K	<u>3,695</u>	<u>9,790</u>	<u>71,593</u>	<u>1,862</u>	<u>8,724</u>	<u>745</u>
Total assets		<u>143,923</u>	<u>152,717</u>	<u>77,598</u>	<u>65,488</u>	<u>68,326</u>	<u>42,961</u>
EQUITY AND LIABILITIES							
Equity							
Share capital		84,190	84,190	47,815	84,190	84,190	47,815
Treasury shares		(58)	(58)	(58)	(58)	(58)	(58)
Accumulated losses		(24,530)	(23,359)	(10,353)	(23,524)	(20,711)	(5,379)
Other reserves		2,347	5,653	6,599	4,598	4,598	–
		<u>61,949</u>	<u>66,426</u>	<u>44,003</u>	<u>65,206</u>	<u>68,019</u>	<u>42,378</u>
Non-controlling interests		43,460	49,099	–	–	–	–
Total equity		<u>105,409</u>	<u>115,525</u>	<u>44,003</u>	<u>65,206</u>	<u>68,019</u>	<u>42,378</u>
Non-current liabilities							
Deferred tax liabilities		26,956	28,559	2,576	–	–	–
Security deposits		–	–	50	–	–	50
Derivative financial instruments		–	–	926	–	–	–
Total non-current liabilities	L	<u>26,956</u>	<u>28,559</u>	<u>3,552</u>	<u>–</u>	<u>–</u>	<u>50</u>
Current liabilities							
Trade and other payables		11,558	8,585	675	282	259	434
Borrowings		–	–	28,858	–	–	–
Security deposits		–	–	147	–	–	–
Deferred revenue		–	–	264	–	–	–
Derivative financial instruments		–	48	99	–	48	99
Total current liabilities	M	<u>11,558</u>	<u>8,633</u>	<u>30,043</u>	<u>282</u>	<u>307</u>	<u>533</u>
Total liabilities		<u>38,514</u>	<u>37,192</u>	<u>33,595</u>	<u>282</u>	<u>307</u>	<u>583</u>
Total equity and liabilities		<u>143,923</u>	<u>152,717</u>	<u>77,598</u>	<u>65,488</u>	<u>68,326</u>	<u>42,961</u>

Please refer to paragraph 8 on pages 16 to 17 for further explanations of the respective Notes.

* As disclosed in Note 5, the Group has adopted Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) effective as at the end of the first SFRS(I) reporting year ended 30 June 2019. As required by SFRS(I), the statement of financial position as at the date of transition (1 July 2017) is presented.

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

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

	As at 30 June 2019		As at 30 June 2018		As at 1 July 2017	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross borrowings	–	–	–	–	29,045	–
Less: Transaction costs in relation to the bank loans	–	–	–	–	(187)	–
Net borrowings	–	–	–	–	28,858	–

(b) Amount repayable after one year

	As at 30 June 2019		As at 30 June 2018		As at 1 July 2017	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	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 2019 and 30 June 2018, there were no borrowings following the disposal of the investment properties in Japan.

Total borrowings of S\$28,858,000 as at 30 June 2017 are secured by the four Japanese investment properties, namely Hatchobori Place, Green Forest Itabashi, NCA Minowa and NCA Kuramae of the Group valued at S\$67,020,000 in aggregate.

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

	Group	
	12 months ended	
	30 June 2019 Unaudited S\$'000	30 June 2018 Audited S\$'000
Cash Flows From Operating Activities		
Loss before tax	(5,655)	(14,319)
Adjustments for:		
Depreciation of property, plant and equipment	122	60
Amortisation of intangible assets	2,509	2,295
Interest income	(19)	(23)
Finance costs	–	423
Net fair value gain on financial derivatives	–	(101)
Loss on disposal of investment properties	–	7,668
Share options issued	–	4,598
Realisation of foreign translation reserve on liquidation of foreign subsidiaries	(1,265)	(5,240)
Operating cash flows before changes in working capital	(4,308)	(4,639)
Trade and other receivables	(735)	6,024
Trade and other payables	3,514	1,166
Deferred revenue	–	(264)
Net cash flows (used in)/from operations	(1,529)	2,287
Income taxes paid	–	(3,499)
Net cash flows used in operating activities	(1,529)	(1,212)

	12 months ended	
	30 June 2019 Unaudited S\$'000	30 June 2018 Audited S\$'000
Cash Flows From Investing Activities		
Proceeds from disposal of investment properties	–	59,352
Interest received	19	23
Acquisition of subsidiary, net of cash	–	(53,461)
Land use rights (Purchase of intangible assets)	(1)	(5,026)
Purchases of property, plant and equipment	(5,319)	(7,164)
Net cash flows used in investing activities	<u>(5,301)</u>	<u>(6,276)</u>
Cash Flows From Financing Activities		
Repayment of bank borrowings	–	(28,858)
Advances from related party	–	6,251
Security deposits	–	(1,073)
Interest paid	–	(423)
Proceeds from issuance shares	–	36,375
Restricted cash	–	3,196
Net cash flows from financing activities	<u>–</u>	<u>15,468</u>
Net (decrease)/increase in cash and cash equivalents	(6,830)	7,980
Cash and cash equivalents at beginning of year	9,140	1,160
Effects of currency translation on cash and cash equivalents	–	–
Cash and cash equivalents, consolidated statement of cash flows, end of financial year	<u>2,310</u>	<u>9,140</u>

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

	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Foreign exchange translation reserve S\$'000	Share options reserve S\$'000	Total S\$'000	Non-Controlling interests S\$'000	Total Equity S\$'000
The Group								
Balance as at 1 July 2017 (Audited)	47,815	(58)	(10,353)	6,599	–	44,003	–	44,003
Issuance of shares	36,375	–	–	–	–	36,375	–	36,375
Acquisition of subsidiary	–	–	–	–	–	–	50,502	50,502
Total comprehensive loss	–	–	(13,463)	(5,544)	–	(19,007)	(1,403)	(20,410)
Share options issued	–	–	–	–	4,598	4,598	–	4,598
Recovery of dividends paid in prior year	–	–	457	–	–	457	–	457
Balance as at 30 June 2018 (Audited)	84,190	(58)	(23,359)	1,055	4,598	66,426	49,099	115,525
Dilution of non-controlling interest	–	–	2,301	–	–	2,301	(2,301)	–
Total comprehensive loss	–	–	(3,472)	(3,306)	–	(6,778)	(3,338)	(10,116)
Balance as at 30 June 2019 (Unaudited)	84,190	(58)	(24,530)	(2,251)	4,598	61,949	43,460	105,409

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. (Cont'd)

	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Share options reserve S\$'000	Total S\$'000
<u>The Company</u>					
Balance as at 1 July 2017 (Audited)	47,815	(58)	(5,379)	–	42,378
Issuance of shares	36,375	–	–	–	36,375
Loss for the year	–	–	(15,789)	–	(15,789)
Share options issued	–	–	–	4,598	4,598
Recovery of dividend paid in prior year	–	–	457	–	457
Balance as at 30 June 2018 (Audited)	84,190	(58)	(20,711)	4,598	68,019
Loss for the year	–	–	(2,813)	–	(2,813)
Balance as at 30 June 2019 (Unaudited)	84,190	(58)	(23,524)	4,598	65,206

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State 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 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.

Issued and fully paid ordinary share capital

	Number of Shares '000	Issued share capital S\$'000
Balance as at 30 June 2019 and 31 December 2018 (excluding Treasury Shares and subsidiary holdings)	789,000	84,190

As at 30 June 2019, the Company held 1,000,000 ordinary shares as treasury shares (30 June 2018: 1,000,000).

There was no change in the Company's share capital between 30 June 2019 and 30 June 2018. The total number of issued shares of the Company excluding treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2018 was 789,000,000 shares.

The number of shares that may be issued on conversion of share options as at 30 June 2019 was 600,000,000 (31 December 2018: 600,000,000) shares.

Treasury shares and subsidiary holdings

	30 June 2019	30 June 2018
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%

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

	30 June 2019 '000	30 June 2018 '000
Total number of issued shares	790,000	790,000
Treasury shares	(1,000)	(1,000)
Total number of issued shares, excluding treasury shares	<u>789,000</u>	<u>789,000</u>

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

There were no sales, transfers, cancellations and/or use of treasury shares by the Company as at 30 June 2019 (30 June 2018: 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 2019 (30 June 2018: 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 qualifications or emphasis of matter).

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the financial year ended 30 June 2019.

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

The Group has adopted Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and all the new and revised standards and interpretations of SFRS(I)s (“INT SFRS(I)s”) that are relevant to its operations and are effective for financial periods beginning on or after 1 July 2018. The adoption of these new or revised SFRS(I)s and INT SFRS(I)s did not result in any substantial changes to the Group’s accounting policies and does not have any material impact on the Group’s financial statements for the financial year ended 30 June 2019.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

- (a) based on the weighted average number of ordinary shares on issue; and
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	The Group	
	12 months ended 30 June	
	2019	2018
	Unaudited	Audited
	S\$’000	S\$’000
Loss attributable to equity holders of the Company	(3,472)	(13,463)
	No. of shares ‘000	No. of shares ‘000
Weighted average number of ordinary shares	789,000	746,260
Loss per share		
Basic and diluted loss per share *		
Singapore cents	(0.44)	(1.80)

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 arose 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.**

	The Group		The Company	
	As at 30 June <u>2019</u> Unaudited	As at 30 June <u>2018</u> Audited	As at 30 June <u>2019</u> Unaudited	As at 30 June <u>2018</u> Audited
Net asset value ("NAV") (in S\$'000)	61,949	66,426	65,206	68,019
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)	7.85	8.42	8.26	8.62

- 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

Pursuant to the approval granted by the shareholders of the Company at the Extraordinary General Meeting held on 20 January 2017 on the "**Japanese Properties Divestment Mandate**", the Company has completed the divestment of all the Japanese properties. Four of its Japanese properties (the "**Remaining Properties**") were divested in the early part of the financial year ended 30 June 2018 ("**FY2018**").

In financial year ended 30 June 2019 ("**FY2019**"), the Group's revenue was mainly derived from the Group's management of the Wonder Stone Park (the "**WSP**").

Note A

Revenue was S\$0.115 million for FY2019 compared to S\$0.875 million for FY2018.

Notwithstanding that the WSP was still in the development phase, the Group commenced operations at the WSP with the organisation of the Beerfest Asia – Shandong edition (the "**Beerfest**") at the WSP in FY2019. The Beerfest received strong support from the local government which, at the local government's cost, carried out significant infrastructure upgrading works (the "**Infrastructure Upgrading Works**") at the WSP and the surrounding roads leading to the unopened high speed rail station which is scheduled to commence operations in late 2019. In reciprocation of the Infrastructure Upgrading Works undertaken by the local

government, the Group organised the Beerfest at a scale unprecedented in Linyi city which attracted a crowd to the Beerfest and, in the process, also created publicity about the WSP, including its ability to hold events of international standards.

The revenue in FY2018 was mainly derived from the rental income of those divestment of the Remaining Properties, which were divested in FY2018.

Note B

Other income decreased by S\$0.322 million from S\$0.366 million in FY2018 to S\$0.044 million in FY2019 mainly due to the settlement agreement reached with a former director, Mr. Bay Cheow Guan David (“**Mr. Bay**”) in FY2018 with respect to the Company’s previous payment of certain director’s emoluments to him. As announced by the Company on 8 November 2017, the settlement amount of S\$185,000 had been received by the Company from Mr. Bay.

The breakdown in FY2019 relates to:

- (i) a government subsidy income received from Fei County government to our subsidiary in the People’s Republic of China (“**PRC**”) amounting to S\$17,000; and
- (ii) fixed deposits interest income and other miscellaneous income amounting to S\$27,000.

Note C

Following the divestment of the Japanese Properties in the early part of FY2018, no further direct operating expenses for investment properties were incurred. That resulted in the nil figure for FY2019.

Note D

Depreciation and amortisation expenses increased by S\$0.276 million from S\$2.355 million in FY2018 to S\$2.631 million in FY2019 mainly due to an increase in fixed asset and the amortisation of the Wonder Stone Park operating rights over 50 years which was acquired pursuant to the acquisition of 60% of the equity interest in Global Entertainment Media Pte Ltd (“**GEM**”) in August 2017.

Note E

Employee benefits expense decreased by S\$4.787 million from S\$5.715 million in FY2018 to S\$0.928 million in FY2019. The higher expense recorded in FY2018 was mainly due to the recognition of S\$4.598 million of share option expenses arising from the grant of share options to Mr. Sun Bowen (the “**Share Options**”) as approved by shareholders of the Company at the Extraordinary General Meeting held on 29 March 2018. The Share Options have been accounted for as an equity transaction that falls within the scope of FRS 102 Share-based Payment and the fair value of the Share Options had been estimated at S\$4.598 million by an independent professional valuer.

Note F

Other operating expenses decreased by S\$3.850 million from S\$6.105 million in FY2018 to S\$2.255 million in FY2019. The decrease was partially due to lower legal and professional fees incurred in FY2019. In addition, the Company had recognised a loss on divestment of Japanese Properties amounting to S\$7.668 million in FY2018 which was offset by the realization of translation reserve on liquidation of foreign subsidiaries gain of S\$5.240 million for both Godo Kaisha Three Line and Godo Kaisha Halekulani following the divestment of all the Japanese Properties in FY2018.

Note G

Following the divestment of the Japanese Properties in FY2018, no further finance costs were incurred. That resulted in the nil figure for FY2019.

Note H

The cross currency swaps had since matured in July 2018. That resulted in the nil figure for FY2019.

Note I

Income tax benefit comprised 25% deferred tax liabilities on the amortisation of the fair value of WSP operating rights over 50 years.

Overall, the net loss for FY2019 was S\$5.083 million, compared to a net loss of S\$14.866 million in FY2018.

STATEMENT OF FINANCIAL POSITION

On 11 August 2017, the Group acquired 60% of the equity interest in GEM (the “**GEM Acquisition**”), a company incorporated in Singapore, for a total consideration of S\$53,500,000. GEM owns 100% of the equity interest in Linyi Yin Sheng Wen Hua Chuan Mei Co., Ltd. (“**Linyi Yin Sheng**”), an entity established in the PRC. Linyi Yin Sheng, in turn, owns 80% of the equity interest in Fei County Wonder Stone Characteristic Town Development Co., Ltd (“**Fei County Wonder Stone**”), an entity established in the PRC. On 14 September 2018, the Company announced that Linyi Yin Sheng increased its equity interest in Fei County Wonder Stone to 90%. Fei County Wonder Stone holds the operating rights to the WSP, which is located in Shandong Province of the PRC, and also owns a hotel (the “**WSP Hotel**”) situated in the WSP.

Subsequent to the GEM Acquisition, the Company completed the purchase price allocation (“**PPA**”) exercise in June 2018 to reflect the fair values of assets and liabilities of GEM and its subsidiaries on acquisition date.

Note J - Non-current assets

Non-current assets decreased by \$2.699 million from S\$142.927 million as at 30 June 2018 to S\$140.228 million as at 30 June 2019.

Property, plant and equipment increased due to renovations and asset enhancements to the WSP which were classified under property, plant and equipment.

Intangible assets of S\$115.085 million mainly relate to the 50 years of property development rights that the Group holds over the Wonder Stone Park, decreased due to amortization.

Goodwill of S\$6.607 million is recognised following the completion of the PPA exercise.

Note K - Current assets

Current assets decreased by S\$6.095 million from S\$9.790 million as at 30 June 2018 to S\$2.695 million as at 30 June 2019.

As the development of the WSP and the WSP Hotel was in phases and yet to be fully operational in FY2019, cash and cash equivalents have decreased from S\$9.140 million as at 30 June 2018 to S\$2.310 million as at 30 June 2019 mainly due to the additions in property, plant and equipment, payments for the organization of the Beerfest, legal and professional fees incurred for the Company’s proposed acquisition of the remaining 40% stake in GEM announced on 27 September 2018 (the “**Proposed 40% GEM Acquisition**”) as well as compliance costs incurred by the Company as a listed entity. Please refer to the statement of cash flows for further details.

Note L - Non-current liabilities

Non-current liabilities decreased by S\$1.603 million from S\$28.559 million as at 30 June 2018 to S\$26.956 million as at 30 June 2019.

Deferred tax liabilities of S\$26.956 million relate to the 25% deferred tax (PRC tax) on the fair value of the 50 years of property development rights. Following the amortisation of the property development rights, the deferred tax liabilities which had been computed previously on the property development rights had correspondingly decreased.

Note M - Current liabilities

Current liabilities increased by S\$2.925 million from S\$8.633 million as at 30 June 2018 to S\$11.558 million as at 30 June 2019.

Trade and other payables increased to S\$11.558 million mainly due to a shareholder's loan of S\$2.400 million loan extended by the minority shareholder of GEM via a related company of the minority shareholder, to enable Fei County Wonder Stone to fund the development of the Wonder Stone Park and Wonder Stone Hotel.

Working capital

As the development of the WSP and the WSP Hotel was in phases and yet to be fully operational in FY2019, the Group did not have significant income streams to meet the Group's expenses and resulted in a negative working capital of S\$7.863 million as at 30 June 2019. In addition, as the renovation of the WSP Hotel was in the final stages, more liabilities were incurred to purchase property, plant and equipment in fitting out the lifts, hotel rooms, kitchens and banquet halls.

STATEMENT OF CASH FLOWS

Net cash flows used in operating activities was S\$1.529 million as at 30 June 2019 mainly due to the payments made in connection with the Beerfest, legal and professional fees incurred for the Company's Proposed 40% GEM Acquisition as well as compliance costs incurred by the Company as a listed entity.

Net cash flows used in investing activities was S\$5.301 million as at 30 June 2019 mainly due to renovations and asset enhancements at the WSP.

Net cash flows from financing activities was nil as at 30 June 2019.

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

No forecast or prospect statement were previously given.

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

The Company continues its strategic reallocation of capital to new projects. On 27 September 2018, the Company announced the Proposed 40% GEM Acquisition. On 28 March 2019, the Company announced that the long-stop date of the Proposed Acquisition was extended to 30 September 2019 and work is currently underway in the preparation of this exercise.

Concurrently, the Group continues its development of the WSP and the WSP Hotel, with the WSP Hotel envisaged to commence operations before 31 December 2019. As announced on 17 December 2018, the WSP was awarded the “AAAA” rating by the Shandong Tourism Development Commission. Negotiations with Sim Leisure Group on the development and operation of an “ESCAPE” theme park are also underway as the Company engages the regulatory authorities on obtaining the relevant approvals for the “ESCAPE” theme park.

On the Company’s investment in One Richardson, the Company continues to engage the developer with a view to recommence the development as soon as possible.

While the Company envisages challenges as it continues to cultivate the PRC market, the Company remains driven towards improving the efficiencies of our portfolio assets and enhancing the value and growth over the longer term.

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.

(e) 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.

The Group does not have a general mandate from shareholders for IPTs.

Name of Interested Person	Financial year ended 30 June 2019	
	Aggregate value of all IPTs during the financial period under review	Aggregate value of all IPTs conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than \$100,000)
	\$'000	\$'000
Mr. Sun Bowen		
- Acquisition of 40% of the issued and paid-up share capital of GEM ⁽¹⁾	24,000	-
- Transactions between Fei County Wonder Stone Characteristic Town Development Co., Ltd (费县奇石特色小镇发展有限公司) & companies related to Mr Sun for the development of the Wonder Stone Hotel and Wonder Stone Park	122	-

Note:

1. This relates to the Proposed 40% GEM Acquisition which is pending the convening of an extraordinary general meeting to seek the approval of shareholders of the Company.

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.

Statement of Operations by Segments

Profit or Loss from Continuing Operations and Reconciliations

	Property development and property investment S\$'000	Leisure and hospitality S\$'000	Unallocated segment* S\$'000	Consolidated financial statements S\$'000
FY2019 (Unaudited)				
Revenue:				
Total revenue by segment				
Revenue from external customers	–	115	–	115
Results:				
Recurring EBITDA	–	(1,418)	(2,489)	(3,907)
Depreciation and amortisation	–	(2,630)	(1)	(2,631)
Other income	–	18	26	44
Realisation of foreign exchange translation reserve on liquidation of foreign subsidiaries	–	–	1,265	1,265
Legal and professional fee	–	(52)	(374)	(426)
Loss before tax	–	(4,082)	(1,573)	(5,655)
Income tax benefit	–	572	–	572
Loss after tax	–	(3,510)	(1,573)	(5,083)
FY2018 (Audited)				
Revenue:				
Total revenue by segment				
Revenue from external customers	834	41	–	875
Results:				
Recurring EBITDA	(187)	(885)	(1,079)	(2,151)
Depreciation and amortisation	–	(2,352)	(3)	(2,355)
Other income	43	108	215	366
Finance costs	(325)	(98)	–	(423)
Net fair value gain on financial derivatives	–	–	101	101
Loss on disposal of investment properties	(7,668)	–	–	(7,668)
Share option expense	–	–	(4,598)	(4,598)
Realisation of foreign exchange translation reserve on liquidation of foreign subsidiaries	5,240	–	–	5,240
Legal and professional fee	–	–	(2,831)	(2,831)
Loss before tax	(2,897)	(3,227)	(8,195)	(14,319)
Income tax (expense)/benefit	(1,081)	534	–	(547)
Loss after tax	(3,978)	(2,693)	(8,195)	(14,866)

Note:

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

Assets and Reconciliations

	Leisure and hospitality S\$'000	Unallocated segment* S\$'000	Consolidated financial statements S\$'000
<u>As at 30 June 2019 (Unaudited)</u>			
Total assets for reportable segment			
- Property, plant and equipment	18,535	1	18,536
- Intangible assets	115,085	–	115,085
- Goodwill	6,607	–	6,607
- Others	1,833	1,862	3,695
Total			143,923
<u>As at 30 June 2018 (Audited)</u>			
Total assets for reportable segment			
- Property, plant and equipment	14,010	2	14,012
- Intangible assets	122,059	–	122,059
- Goodwill	6,856	–	6,856
- Others	1,066	8,724	9,790
Total			152,717

Liabilities and Reconciliations

	Leisure and hospitality S\$'000	Unallocated segment* S\$'000	Consolidated financial statements S\$'000
<u>As at 30 June 2019 (Unaudited)</u>			
Total liabilities for reportable segment			
- Deferred tax liabilities	26,956	–	26,956
- Others	11,276	282	11,558
Total			38,514
<u>As at 30 June 2018 (Audited)</u>			
Total liabilities for reportable segment			
- Deferred tax liabilities	28,559	–	28,559
- Derivatives financial instruments	–	48	48
- Others	8,326	259	8,585
Total			37,192

Note:

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

Geographical segments

	The Group	
	FY2019 (Unaudited) S\$'000	FY2018 (Audited) S\$'000
Revenue		
- Japan	–	834
- China	115	41
	<u>115</u>	<u>875</u>

	The Group	
	As at 30 June 19 (Unaudited) S\$'000	As at 30 June 18 (Audited) S\$'000
Total consolidated assets		
- China	142,060	143,991
- Singapore	1,863	8,726
	<u>143,923</u>	<u>152,717</u>

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

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

16. A breakdown of sales as follows:

	Year ended 30 June 2019 S\$'000	Year ended 30 June 2018 S\$'000	Increase / (Decrease) %
Sales reported for the first half year	69	826	(91.6)
Operating loss after tax reported for first half year	(3,635)	(14,930)	(75.7)
Sales reported for the second half year	46	49	(6.1)
Operating (loss)/profit after tax reported for second half year	(1,448)	64	>(100.0)

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

	2019 \$'000	2018 \$'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 7H) 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	29	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
23 August 2019

This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST assumes no responsibility for the contents in this announcement, including the correctness of any statements or opinions made or reports contained in this announcement.

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