CHUAN HUP HOLDINGS LIMITED

SOLID FOUNDATIONS

RESILIENT GROWTH

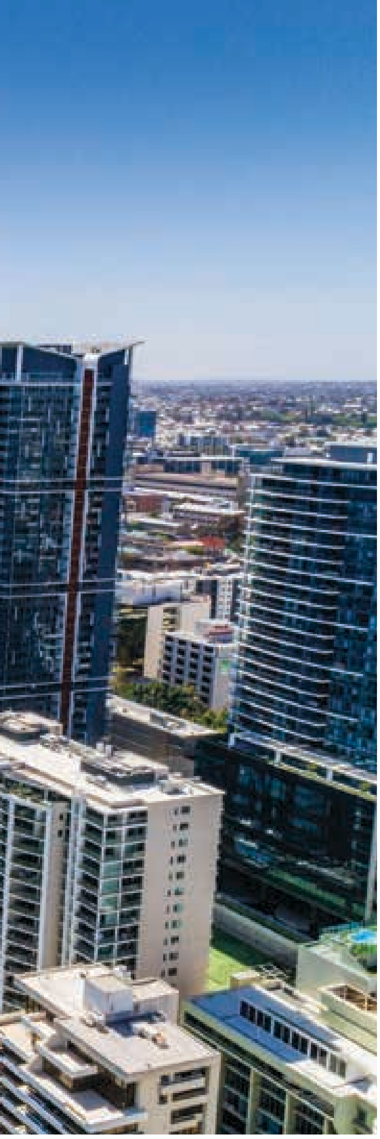
ANNUAL REPORT 2019

With sound fundamentals grounded on a firm foundation of proven investment strategy, management excellence and a resilient portfolio, we are well-positioned to seize new opportunities in diversified markets, generating growth that is sustainable and creating value that lasts.

Panoramic views from Concerto Apartments

TABLE OF CONTENTS

01	CORPORATE PROFILE
04	CHAIRMAN'S STATEMENT
08	OUR INVESTMENTS
14	BOARD OF DIRECTORS
17	SENIOR MANAGEMENT
20	FINANCIAL HIGHLIGHTS
22	ASIA PACIFIC MAP
23	FINANCIAL CALENDAR
24	CORPORATE DATA
25	CORPORATE GOVERNANCE REPORT
38	FINANCIAL STATEMENTS
134	STATISTICS OF SHAREHOLDINGS
136	NOTICE OF ANNUAL GENERAL MEETING AND CLOSURE OF BOOKS
	PROXY FORM



CORPORATE **PROFILE**

Founded in 1970, Chuan Hup Holdings Limited ("Chuan Hup") has grown into an investment company with a diversified portfolio of strategic investments, including property sectors. The Company also engages in quality equity investments aimed at generating long-term returns.

Chuan Hup began as a tug and barge service provider to PSA Corporation in Singapore, establishing a reputation as one of the leading owners and operators of marine transportation equipment to the resource industry. Following its listing on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") in 1983, the Company diversified its business footprint to include property development and electronics manufacturing services under PCI Limited ("PCI").

In 1992, PCI was listed on the then Sesdaq of SGX-ST and transferred to the Mainboard of SGX-ST in 1995. In 2011, Chuan Hup increased its stake in PCI to 76.7%. In 2019, Chuan Hup disposed of all of its shares in PCI by way of a scheme of arrangement, which became effective and binding in accordance with its terms on 29 April 2019.

On the property front, Chuan Hup has marked several milestones locally and in the Asia Pacific region after two decades in property development. The Company launched its first residential project in Singapore, The Clementvale, in 1999, and ventured overseas, investing in property development projects in Australia and the Philippines. Through strategic partnerships with local businesses, Chuan Hup harnesses their local expertise to drive development projects. Its past developments region-wide have received strong reception and achieved strong sales soon after completion.

In 2014, Chuan Hup acquired three floors of office space in GB Building in Singapore to be held as investment property. The move enabled the Company to secure stable recurring rental income for the long term. Meanwhile, with the investment in Pacific Star Development Limited in 2017, Chuan Hup has enlarged its property investment portfolio and extended its business footprint into Malaysia and Thailand.

In 2019, Chuan Hup acquired the entire 24^{th} floor of The Central, Singapore which houses several office units. The acquisition of this well located commercial property not only enables the Group to earn a sustainable and recurring source of rental income, but also strengthens the Group's local presence.

With a focus on delivering long-term sustainable growth, Chuan Hup continues to explore investment opportunities with prudence to further augment its portfolios and generate sustainable value for its stakeholders.

NET PROFIT

USD**46.0**
MILLION

COMMITTED TO
DIVERSIFIED GROWTH

We remain firm in our commitment to invest in quality assets and expand our diversified businesses and markets to drive long-term growth.

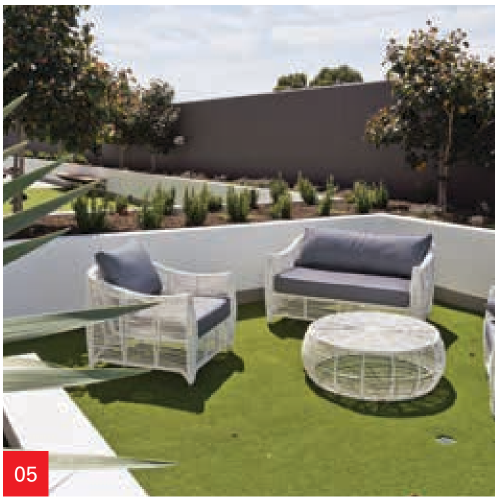
01. Concerto Apartments podium entry
02. Lobby entrance to Unison on Tenth Apartments
03. Perth CBD view from Concerto Apartments
04. Artist's impression of One Kennedy pool deck
05. Unison on Tenth landscape deck
06. Artist's impression of One Kennedy games and lounge area

01


02


04

03



05

06

CHAIRMAN'S STATEMENT

THE FINANCIAL YEAR ENDED 30 JUNE 2019 ("FY2019") WAS A STRONG YEAR FOR THE CHUAN HUP GROUP ("THE GROUP").

MR LO PANG FOO STEVEN
NON-EXECUTIVE CHAIRMAN

DEAR MEMBERS,

The financial year ended 30 June 2019 ("FY2019") was a strong year for the Chuan Hup Group ("the Group"). Amidst a challenging operating environment, we achieved a gain of USD63.98 million from the disposal of our electronic manufacturing services business, bringing our profit after tax to USD46.02 million for the year against USD17.34 million for FY2018.

The Group recorded revenue of USD18.29 million for our continuing operation which was 67.7% lower than the year before, due mainly to a decrease in revenue from property sales in relation to our Australian property projects.

Share of results of associates recorded a net loss of USD20.48 million in the current year, mainly due to share of losses from Pacific Star Development Limited ("PSDL") and write-down of fair value uplift of PSDL's development properties.

STRONG FINANCIAL POSITION

As at 30 June 2019, the Group continues to maintain a healthy financial position. Net assets attributable to equity holders of the Company dipped by 5.6% to USD269.24 million, while cash and cash equivalents rose by 6.6% to USD124.64 million. Net cash inflow from operating and investing activities were USD8.47 million and USD77.49 million respectively. Total assets amounted to USD288.54 million, with net assets attributable to equity holders of USD269.24 million.

KEY MILESTONE DEVELOPMENTS

During the year in review, the Group completed the sale of its electronics manufacturing services business to Pagani Holding III Limited, which was effected by way of a scheme of arrangement, pursuant to which the Group sold its entire 76.70% stake in its listed subsidiary, PCI Limited ("PCI"). The gain on disposal and profit for the year from the discontinued operation amounted to USD73.00 million.

On the property front, the Group acquired several office units located on the 24th floor of The Central along 8 Eu Tong Sen Street in Singapore. The acquisition of this strategically located commercial property augments the Group's property investments portfolio in Singapore and is in line with the Group's strategy to invest in properties that can yield a sustainable and recurring source of rental income.

REWARDING SHAREHOLDERS

In recognition of the support of our shareholders and to enable them to enjoy the benefits from the disposal of PCI, the Board paid an interim special dividend of 9 SG cents per ordinary share on 30 May 2019. Additionally, the Board has proposed a final tax-exempt one-tier dividend

Artist's impression of One Kennedy

of 1 SG cent per ordinary share for the year ended 30 June 2019, subject to shareholders' approval at the upcoming Annual General Meeting. In total, dividends paid and proposed for FY2019 will be 10 SG cents per ordinary share.

LOOKING AHEAD

In view of the uncertainties with the current US-China trade tensions which may increase volatility in the financial markets, the Group remains cautious on its outlook for the coming year. With the disposal of our electronics manufacturing services business, we will focus on our property development segment.

While our strong balance sheet stands us in good stead to seize strategic opportunities in the market for future growth, we will continue to exercise prudence in assessing new investments and business expansion opportunities.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my gratitude to my fellow Directors for their invaluable insights and guidance. I would also like to thank our business partners, customers and stakeholders for their continued support and confidence.

Finally, my heartfelt appreciation goes to our Management and staff for their hard work and commitment in delivering yet another year of exceptional performance. We will continue to strive to create sustainable value for all stakeholders.

MR LO PANG FOO STEVEN
Non-Executive Chairman
20 September 2019

PRIMED FOR **NEW OPPORTUNITIES**

With a robust capital structure, proven track record and extensive network, we are primed to seize new growth opportunities in vibrant regions.

01. Unison on Tenth pool
02. Artist's impression of One Kennedy Apartments second floor unit
03. Concerto Apartments lobby entrance
04. Concerto Apartments communal deck
05. Artist's impression of One Kennedy landscaped garden
06. Signa Designer Residences Leaf Reading and Tea Room
07. Artist's impression of One Kennedy Apartments kitchen


01

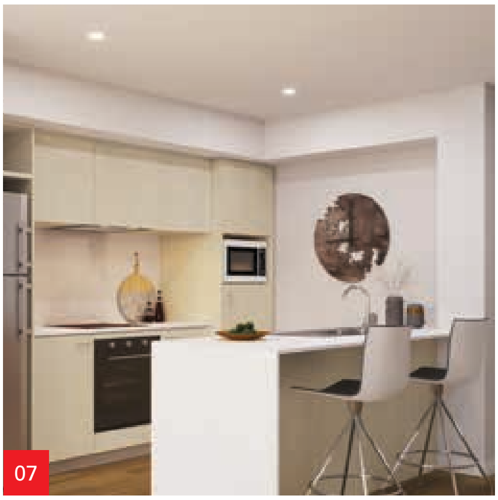

02


03


05

04

06



07

OUR INVESTMENTS

01. Artist's impression of One Kennedy first floor apartment unit

02. Breathtaking views from Concerto Apartments unit

03. Unison on Tenth landscape deck

04. Artist's impression of One Kennedy commercial unit

05. Lobby of Signa Designer Residences

01

"WE ADOPT A PRUDENT APPROACH IN OUR DECISION-MAKING PROCESS BALANCING POTENTIAL GROWTH WITH MANAGEABLE RISKS. WE FOCUS ON STRENGTHENING OUR FUNDAMENTALS, IN PARTICULAR BUILDING A STRONG AND ROBUST BALANCE SHEET WHICH NOT ONLY CAN ENHANCE OUR RESILIENCE TO WITHSTAND CYCLICAL CHALLENGES..."

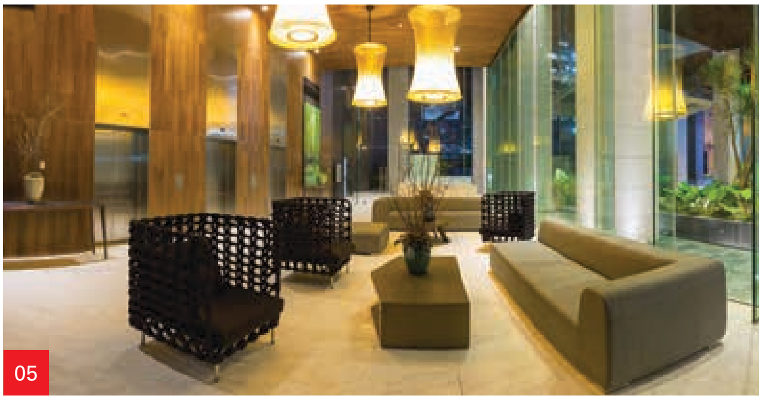
OUR INVESTMENTS

A hallmark of a sustainable business is its ability to create value consistently and deliver reasonable returns to stakeholders over the long-term. In this respect, we take a long-term view in our decision-making process. We have an excellent track record of successful acquisitions and investments in facilities, technologies and properties that have yielded stable returns consistently. Our

02

03

04



05

investments have and will continue to be guided by our commitment to sustainability.

At Chuan Hup, sustainable practices including governance, profitability, ethical values, environmental awareness and accountability are incorporated into every aspect and level of our operations. Given that the Group operates in a dynamic region with diverse regulatory regimes governing investments and business practices, the Group adopts a prudent approach in evaluating every investment opportunity, always with the interests and benefit of shareholders at the top of our list of priorities.

OUR INVESTMENTS

01

PROPERTIES

FINBAR GROUP LIMITED

The Group is a substantial shareholder of Finbar Group Limited ("Finbar"). In accordance with financial reporting standards, it was recorded as an associate company since 1 January 2016. As at 30 June 2019, the Company has a shareholding interest of 20.5% in Finbar.

Finbar has been listed on the Australian Securities Exchange since 1995. It is involved in the development of medium to high density residential properties.

Over the years, the Group has collaborated with Finbar on several successful residential development projects in Western Australia.

SYMPHONY CITY, EAST PERTH, WESTERN AUSTRALIA

Leveraging on Finbar's expertise and knowledge of the local real estate market, the Group jointly launched the Symphony City development located at East Perth, Western Australia with Finbar in 2009. The project involved the redevelopment of the former Australian Broadcasting Corporation ("ABC") site which the Group owns.

Symphony City was developed in three stages. The first two stages comprising the Adagio and Toccata, luxury residential apartment towers with panoramic views of the Swan River, were completed and fully sold in 2014 and 2016 respectively.

Located in the heart of East Perth at the door step of the CBD, Concerto is Perth's tallest residential tower, standing at 38 stories high. Combining the simplicity and ease of inner-city living with a luxurious resort lifestyle at home, these brand new luxury apartments were completed in June 2017 and are ready for move in.

02

The tower consists of one and two-bedroom apartments, luxury two and three-bedroom tower apartments and New York style studios which are designed to blend contemporary architectural elements with the culturally rich characteristics of the former ABC building.

The Concerto Leisure Club come with access to a private gymnasium, heated pool, sauna, billiards room, table tennis room, pool lounge and cabana, a private 14-seat dining room, corporate board room, garden court as well as a movie theatre. The development is also within walking distance of Elizabeth Quay, Langley Park, Swan River and Queens Gardens. Sales of the units have been progressing steadily with 89% of the 227 Concerto units sold and settled as at 30 June 2019.

UNISON, MAYLANDS, WESTERN AUSTRALIA

The development which was launched in 2014, is located in a trendy suburb northeast of Perth. Comprising two phases, the Unison project features three-storey walk-up apartments and 10-storey apartment towers, boasting resort-style facilities and luxurious living.

01. Private dining room facilities at Concerto Apartments

02. Unison on Tenth pool deck

03. Artist's impression of One Kennedy Apartments ground floor unit interior

04. Signa Designer Residences massage room

Conveniently located just 4.5 kilometres from the Perth CBD, Unison is a short stroll from the buzzing Eighth Ave and Whatley Crescent café strips, Maylands train station and the beautiful banks of the Swan River.

The first phase, Unison on Tenth, was completed in February 2016. As at 30 June 2019, the 169 unit development is fully sold. With a striking three-level facade boasting composite cedar cladding and feature artwork screens, the second phase, One Kennedy, is a contemporary low-rise residential development that enhances the modern, urban streetscape of Maylands. First launched in October 2018, the project offers resort style living at best value pricing and is available in one, two and three-bedroom options. A range of amenities are also provided including a 25 metre swimming pool, gym, games room and lounge.

One Kennedy blends perfectly with the adjoining phase 1 Unison on Tenth development. Construction works are currently underway and progressing well. The project is expected to be completed by 30 June 2020.

As at 30 June 2019, 37% of the 120 apartment units and 3 commercial units of One Kennedy have been sold.

KEYLAND AYALA PROPERTIES INC

Keyland Ayala Properties Inc ("KAPI") in which the Group has a stake and recorded as an investment at fair value through other comprehensive income in its financial records, is a property and development company in the Philippines.

Under a joint venture agreement with Robinsons Land Corporation, a leading real estate company listed on the Philippines Stock Exchange, KAPI's property along Ayala Avenue in the prime commercial and business district in Makati, Manila has been developed into the Signa Designer Residences. The development comprises two high-end residential towers which were completed in the last quarter of 2016. As at 30 June 2019, only 2 units and 48 car park lots remain to be sold.

Dividend income is derived from this investment.

PACIFIC STAR DEVELOPMENT LIMITED

The Group holds a 35.5% stake in Pacific Star Development Limited ("PSDL") a property development company listed on the SGX-ST. PSDL has a proven track record in the development and investment of prime integrated mixed-use real estate projects in key gateway cities across Asean.

OUR INVESTMENTS

01. The Pasar, premium gourmet grocer located on ground floor of Puteri Cove Residences and Quayside

02. Pan Pacific serviced studio suites

03. Luxurious lobby

04. An artist's impression of ONE°15 Marina Club @ Puteri Harbour

05. The Posh Twelve, Bangkok Thailand

06. The duplex 1-bedroom at The Posh Twelve@ offers a unique loft experience with a spacious high ceiling mezzanine.

01


02

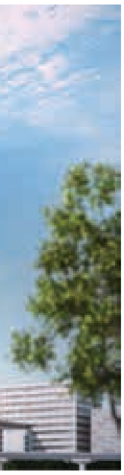

04


05

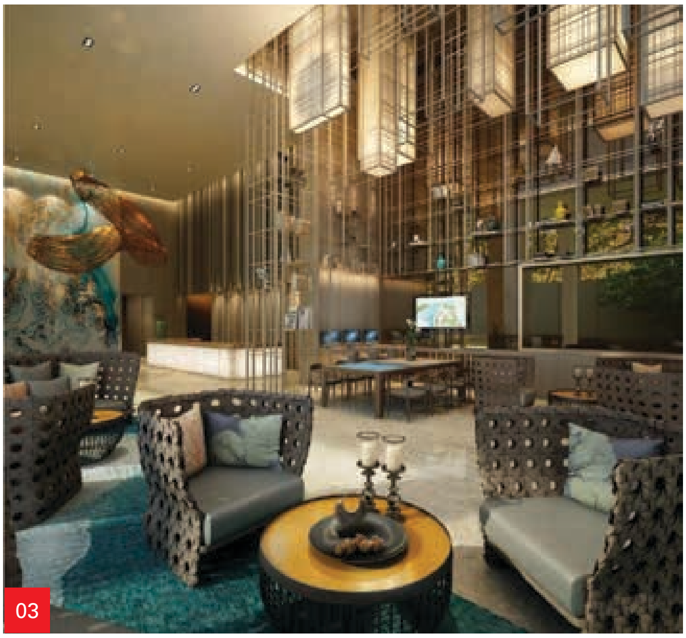
PSDL has two on-going projects, one each in Malaysia and Thailand. In Malaysia, it has completed the multi-award winning Puteri Cove Residences and Quayside, a freehold prime marina-fronting mixed-use development located at Puteri Harbour, Iskandar Puteri. Puteri Cove Residences and Quayside comprises 658 luxury apartments in two 32-storey tower blocks, including a separate tower of luxury serviced suites managed by Pan Pacific Hotels Group, as well as 56 SOHO/Loft units integrated with a 2-storey lifestyle retail centre with 78 retail units, all overlooking Singapore's One°15 managed private marina. Handing over of the Puteri Cove sold residential units has been completed with retail units opening progressively. The development's anchor tenant – The Pasar, is a premium gourmet grocer located on the ground floor. A brand name under the reputable Maslee supermarket chain, the grocer will occupy 15,000 sq ft and will be opening in September 2019.

Located in Tower 3 of Puteri Cove Residences, residents and guests of the Pan Pacific Serviced Suites Puteri Harbour can expect to enjoy one of the highest quality hospitality offerings in the Iskandar region when it opens for its soft opening phase in 2020. The property comes with a comprehensive range of facilities and services, including an infinity lap pool that faces the marina, outdoor jacuzzis, modern fitness centre, residents' lounge, and state-of-the-art security system.

Conveniently located along Tiwanon Road, an up-and coming district within Bangkok's city fringe, PSDL's second project, The Posh Twelve features two towers standing at 39 storeys and 45 storeys respectively. The tallest development in the vicinity, the freehold development is just a 3 minutes' drive to the expressway which connects to the CBD and other parts of Bangkok.



06



03

**OFFICE UNITS IN GB BUILDING,
143 CECIL STREET, SINGAPORE**

The Group acquired three floors, the 20th to 22nd floors of the strata-titled office space of GB Building in November 2014. Located at the heart of the Central Business District, these office units, which are fully leased, are in line with the Group's investment strategy to build a portfolio of quality property assets that can generate recurring revenue and provide sustainable earnings.

**OFFICE UNITS IN THE CENTRAL,
8 EU TONG SEN STREET, SINGAPORE**

In April 2019, the Group acquired the entire 24th floor of The Central which houses several office units. The Central, a leasehold property, is centrally located near major expressways, well connected to public transport, with retail outlets and amenities available within the property. This new acquisition provides the Group with an opportunity to own a strategically located commercial property, which will enable the Group to earn a sustainable and recurring source of rental income.

OUR APPROACH TO SUSTAINABLE INVESTMENT

We take a long-term view in our investment strategy. When evaluating investment opportunities, we are guided by our commitment to create value on a sustainable basis for the benefit of our shareholders. We adopt a prudent approach in our decision-making process balancing potential growth with manageable risks. We focus on strengthening our fundamentals, in particular building a strong and robust balance sheet which not only can enhance our resilience to withstand cyclical challenges but can also provide the Group with ample resources to unlock new growth opportunities.

BOARD OF DIRECTORS

MR LO PANG FOO STEVEN is a **NON-EXECUTIVE, INDEPENDENT DIRECTOR AND THE CHAIRMAN** of Chuan Hup. He was appointed as a Non-Executive, Independent Director on 24 February 2017 and as Chairman on 1 July 2017. He was last re-elected on 19 October 2017 and will be due for re-election at the coming Annual General Meeting ("AGM"). He is also the Chairman of the Remuneration and Nominating Committees and a member of the Audit Committee.

Mr Lo is a Director of Drew & Napier LLC as well as the Head of the firm's Mergers and Acquisitions Practice. He has more than 20 years of legal experience. His practice focuses on mergers and acquisitions and corporate finance. He has extensive experience in both private and public merger and acquisition transactions in Singapore and the region. Mr Lo has a wide range of expertise and has also represented issuers, underwriters and selling shareholders in a variety of domestic and international capital markets transactions.

Mr Lo was a Non-Executive, Independent Director of PCI Limited ("PCI") from 28 December 2011 to 10 May 2019. He was the Chairman of its Remuneration and Nominating Committees and a member of its Audit Committee.

Mr Lo graduated from the National University of Singapore with a Bachelor of Laws (Honours) degree in 1995 and was admitted to the Singapore Bar in 1996. He subsequently obtained his Master of Laws degree from the University of Cambridge in 1998 and was admitted to the Roll of Solicitors in England and Wales in 2000 as a non-practising member.

MR PEH KWEE CHIM is an **EXECUTIVE DIRECTOR** of Chuan Hup. He was one of the founders of Chuan Hup in 1970. He was appointed as an Executive Director on 1 August 1970 and as Managing Director in 1984. On 1 November 2005, he resigned as Managing Director and remained on the Board as an Executive Director. He was last re-elected on 19 October 2017 and will be due for re-election at the coming AGM. He is a member of the Nominating Committee.

Mr Peh was the Executive Chairman of PCI from 27 November 1989 to 10 May 2019 and was a member of its Nominating Committee.

Mr Peh graduated from the University of Western Australia in 1969 with a Bachelor of Engineering (Mechanical) degree.

MR PEH SIONG WOON TERENCE is the **CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR** of Chuan Hup. As Chief Executive Officer, he is responsible for the day-to-day running of the business and for the overall performance of the Group. He was appointed on 1 November 2005 and was last re-elected on 18 October 2018.

Mr Peh has over 20 years of experience in property development investment and project management in Asia Pacific, and management experience in finance in the marine and electronics manufacturing services industries.

Mr Peh is a Non-Executive Director of Finbar Group Limited, which is listed on the Australian Securities Exchange.

Mr Peh was an Executive Director of PCI from 28 December 2011 to 10 May 2019 and the Executive Vice Chairman of PCI from 13 August 2013 to 10 May 2019. Mr Peh was also a Non-Executive Director of Pacific Star Development Limited ("PSDL") from 15 February 2017 to 7 June 2019 and a member of its Audit, Nominating and Remuneration Committees.

Mr Peh obtained his Bachelor of Commerce in Marketing degree from Curtin University of Technology, Australia in 1996 and his Master of Commerce in Finance degree from the University of New South Wales, Australia in 1997.

MS HENG SU-LING MAE is a **NON-EXECUTIVE, INDEPENDENT DIRECTOR** of Chuan Hup. She was appointed as a Director on 3 April 2018 and was last re-elected on 18 October 2018. Ms Heng is the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees.

Ms Heng has over 16 years of experience working at Ernst & Young Singapore.

Ms Heng is an Independent Director of HRnetGroup Limited. She is the Chairman of its Audit Committee and a member of its Nominating and Remuneration Committees. She is an Independent, Non-Executive Director of Ossia International Limited and is the Chairman of its Remuneration Committee and a member of its Audit and Nominating Committees. She is an Independent, Non-Executive Director of Apex Healthcare Berhad, which is listed on Bursa Malaysia. She is the Chairman of its Audit Committee and a member of its Nominating Committee. She is also a Director of Grand Venture Technology Limited. She is the Chairman of its Remuneration Committee and a member of its Audit and Nominating Committees. She also holds directorships in her family-owned investment holding companies.

She was an Independent, Non-Executive Director of PSDL from 7 August 2017 to 7 June 2019. She was the Chairman of its Audit Committee and a member of its Remuneration and Nominating Committees.

Ms Heng graduated with a Bachelor of Accountancy degree from Nanyang Technological University in 1992 and is a Fellow Chartered Accountant of Singapore.

BOARD OF DIRECTORS

MR LIM KWEE SIAH is a **NON-EXECUTIVE DIRECTOR** of Chuan Hup. He was appointed to this position on 28 December 2011. He was last re-elected on 18 October 2018. Mr Lim is a member of the Audit and Remuneration Committees.

Mr Lim has extensive experience in financial management, investment and property development.

Mr Lim was also a Non-Executive Director of PCI from August 1989 to December 2011, an Executive Director of Chuan Hup from November 1989 to October 2005 and a Non-Executive, Independent Director of Scomi Marine Bhd from September 2005 to January 2011.

Mr Lim graduated from the then University of Singapore in 1976 with a Bachelor of Accountancy degree and is a Fellow Chartered Accountant of Singapore.

Unison on Tenth communal pool area

MR ELDON WAN

CHIEF OPERATING OFFICER

Mr Eldon Wan is the Chief Operating Officer of Chuan Hup. He is responsible for developing, establishing and implementing the Group's operating policies, business plans and strategies. He concurrently oversees the financial planning and capital management, financial and management reporting, regulatory compliance, risk management and taxation matters of the Group.

Mr Wan joined Chuan Hup in May 2014 as Head, Corporate Development and was redesignated as Chief Operating Officer in August 2017. Mr Wan was concurrently an Executive Director of PCI from April 2018 to May 2019.

Mr Wan has over 20 years of experience in the finance and accounting sectors. He has cumulated industry experience in mergers and acquisitions, financial and management reporting, budgeting, taxation, treasury as well as corporate governance and risk management matters. Prior to joining the Group, he was the Group Chief Financial Officer of The Straits Trading Company Limited and the Group Finance Manager of the Tecity Group.

Mr Wan graduated from the Nanyang Technological University of Singapore in 1995 with a Bachelor of Accountancy degree and is a Fellow Chartered Accountant of Singapore.

MS VALERIE TAN MAY WEI

HEAD, LEGAL AND CORPORATE SECRETARIAL AND GROUP COMPANY SECRETARY

Ms Valerie Tan May Wei joined Chuan Hup on 15 July 1993 as Group Legal Manager and was appointed Group Company Secretary on 18 January 1994. She is responsible for all legal and secretarial matters of the Chuan Hup Group.

Prior to joining Chuan Hup, Ms Tan was Group Legal Manager and Company Secretary of Jurong Shipyard Ltd and Senior Legal Officer at Neptune Orient Lines Ltd. She has over 25 years of experience in legal and corporate secretarial matters.

Ms Tan was the Company Secretary of PCI from October 2008 to May 2019 and the Company Secretary of CH Offshore Ltd from January 1994 to May 2015.

Ms Tan graduated from the National University of Singapore in 1987 with a Bachelor of Law (Honours) degree and was admitted to the Singapore Bar in 1988.

MS ANNE LIEW MEI HONG

HEAD, CORPORATE INVESTMENTS

Ms Anne Liew Mei Hong is the Head, Corporate Investments of Chuan Hup. She is responsible for evaluating, developing and executing new business opportunities such as investments and partnerships to ensure continual growth and profitability of the Group.

Ms Liew was appointed to this position on 1 July 2018, while concurrently holding the position of Chief Financial Officer of PCI. Ms Liew was Chief Financial Officer of PCI from April 2018 to May 2019 and was responsible for all accounting, financial, taxation, risk management and human resource matters of the PCI Group. She joined PCI in 2009 as Section Head, Finance and rose through the ranks. She was appointed as Vice President, Finance in July 2015 and promoted to Chief Financial Officer in April 2018.

Ms Liew has over 10 years of experience in the finance and accounting sectors. She has cumulated industry experience in financial and management reporting, budgeting, taxation, treasury as well as corporate governance and risk management matters. Prior to joining PCI, she worked in the Finance department of a European-based multinational company.

Ms Liew graduated from the University of Hertfordshire, UK in 2005 with a Bachelor of Arts (Hons) degree in Accounting. She is a Chartered Accountant with the Institute of Singapore Chartered Accountants and a member of the Association of Chartered Certified Accountants.

SHAREHOLDERS' EQUITY

USD**269.2** MILLION

FOCUS ON **SUSTAINABILITY**

WITH A FOCUS ON DELIVERING LONG-TERM SUSTAINABLE GROWTH, WE CONTINUE TO EXPLORE INVESTMENT OPPORTUNITIES WITH PRUDENCE TO AUGMENT OUR PORTFOLIOS AND GENERATE SUSTAINABLE VALUE FOR OUR STAKEHOLDERS.

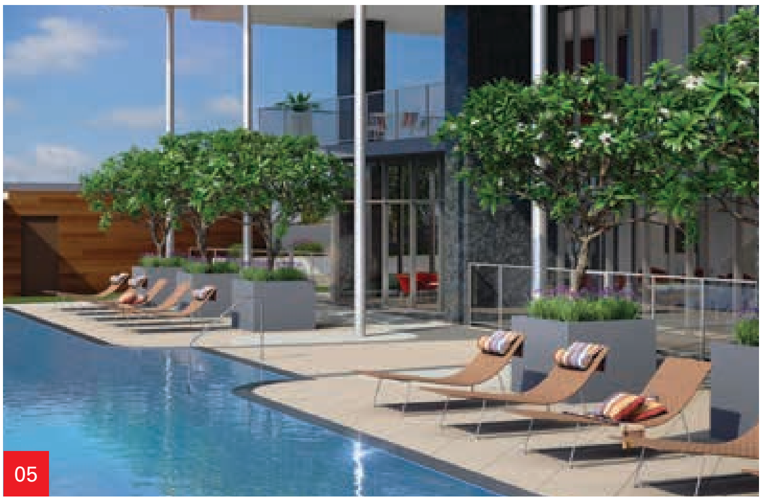
01. Unison on Tenth tower entrance
02. Concerto Apartments, the tallest residential apartment tower in East Perth
03. Artist's impression of One Kennedy Apartments 3-bedroom unit interior
04. Artist's impression of One Kennedy Apartments ground floor unit courtyard
05. Concerto Apartments pool lounge and cabana


01


02


03


04


05

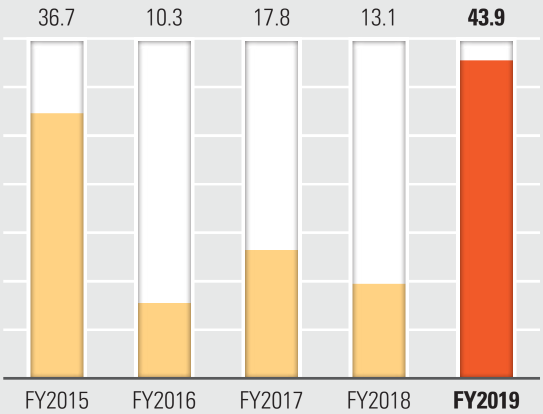
FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 30 JUNE	2019 US$'000	2018 US$'000 (restated)	2017 US$'000 (restated)	2016 US$'000	2015 US$'000
INCOME STATEMENT					
REVENUE					
Property	17,409	53,193	81,005	53,844	37,931
Investment	877	3,432	3,408	4,573	7,843
Continuing operations	18,286	56,625	84,413	58,417	45,774
Discontinued operations[(1)]	175,892	288,673	198,776	180,091	189,228
Total	194,178	345,298	283,189	238,508	235,002
PROFIT/(LOSS) AFTER TAX					
Property	(18,021)	5,721	8,586	5,656	3,507
Investment	(8,964)	(6,634)	954	321	24,622
Continuing operations	(26,985)	(913)	9,540	5,977	28,129
Discontinued operations[(1)]	73,004	18,257	10,777	5,647	11,178
Total	46,019	17,344	20,317	11,624	39,307
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Continuing operations	(26,985)	(913)	9,540	5,977	28,129
Discontinued operations[(1)]	70,916	14,003	8,271	4,309	8,530
Total	43,931	13,090	17,811	10,286	36,659
BALANCE SHEET					
NON-CURRENT ASSETS					
Investment properties	55,455	24,196	23,816	24,301	24,386
Associates	38,350	62,146	58,592	33,230	–
Investment securities	21,460	26,789	28,964	48,150	58,167
Other non-current assets	609	29,043	56,635	42,234	26,592
CURRENT ASSETS					
Development properties	15,077	25,882	66,116	33,827	39,801
Inventories	–	38,793	36,809	31,069	27,193
Investment securities	16,375	19,663	11,255	29,019	19,402
Other current assets	16,577	61,885	61,387	55,560	38,696
Cash and cash equivalents	124,641	116,958	102,639	76,007	158,494
TOTAL ASSETS	288,544	405,355	446,213	373,397	392,731
Borrowings	49	7,633	7,720	8,000	11,634
Other current liabilities	18,690	87,115	120,562	62,151	54,324
Other non-current liabilities	566	1,846	2,251	2,573	2,137
Equity attributable to equity holders of the Company	269,239	285,285	295,284	280,779	304,425
Non-controlling interests	–	23,476	20,396	19,894	20,211
TOTAL EQUITY AND LIABILITIES	288,544	405,355	446,213	373,397	392,731
PER ORDINARY SHARE					
Net tangible assets per share (US cents)	29.00	30.73	31.81	30.19	32.61
Earnings per share (US cents)	4.73	1.41	1.92	1.11	3.93
Final dividend per share (SG cents)	1	1	1	1	1
Special dividend per share (SG cents)	9	–	2	–	2
FINANCIAL RATIOS					
Dividend payout ratio (%)	155.3	52.0	113.6	67.0	56.8
Return on total assets (%)	15.2	3.2	4.0	2.7	9.3
Return on average equity (%)	15.8	4.5	6.2	3.5	11.9

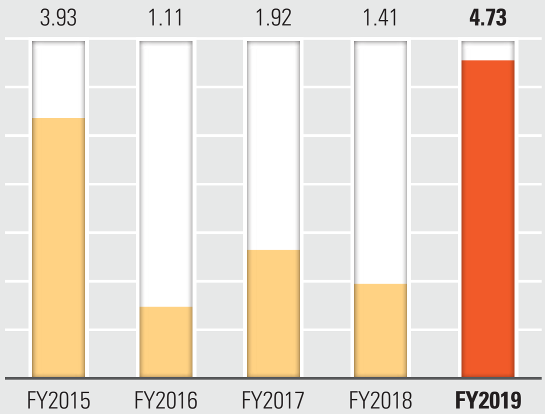
(1) Represents contribution from electronics manufacturing services business disposed on 29 April 2019.

FINANCIAL HIGHLIGHTS

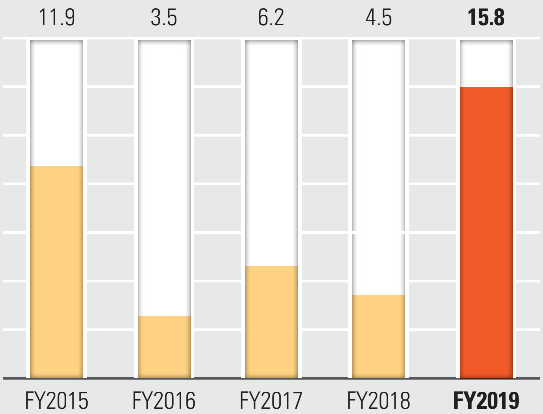
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (US$ MILLION)



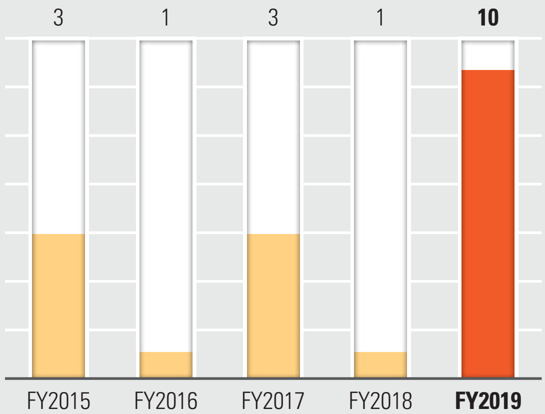
EARNINGS PER SHARE (US CENTS)



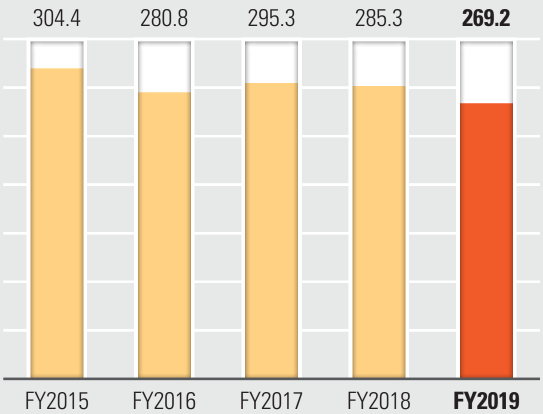
RETURN ON AVERAGE EQUITY (%)



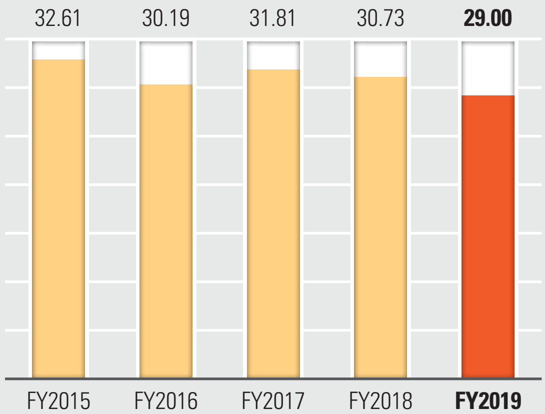
DIVIDEND PER SHARE (SG CENTS)



SHAREHOLDERS' EQUITY (US$ MILLION)

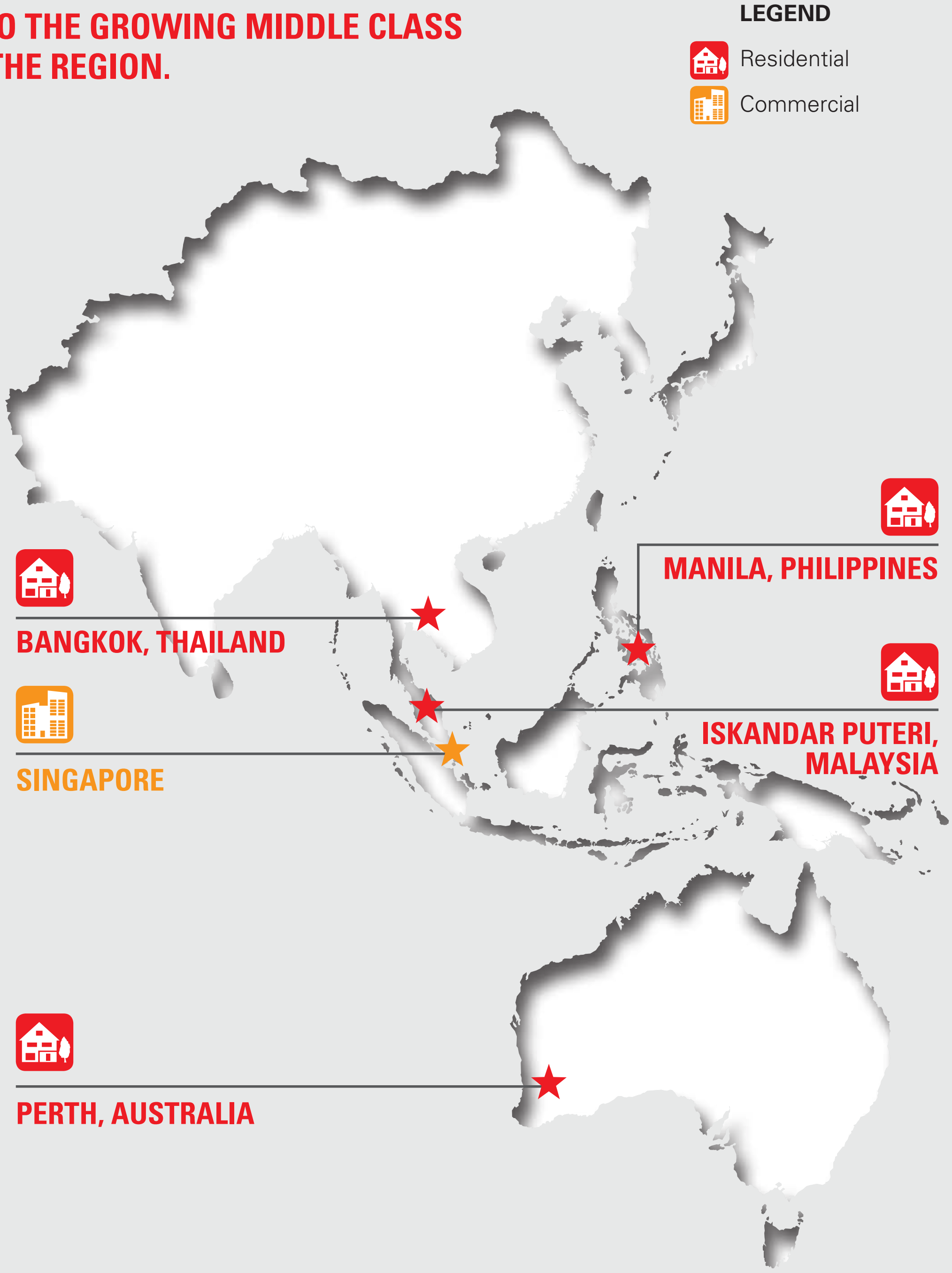


NET TANGIBLE ASSETS PER SHARE (US CENTS)



ASIA PACIFIC MAP

WITH HEADQUARTERS IN SINGAPORE, CHUAN HUP HAS ESTABLISHED REGIONAL PRESENCE IN VARIOUS COUNTRIES THROUGH PARTNERSHIPS AND STRATEGIC COLLABORATIONS. THIS ALLOWS US TO REAP THE OPPORTUNITIES PRESENT AND TAP INTO THE GROWING MIDDLE CLASS IN THE REGION.



FINANCIAL **CALENDAR**

30 JUN 2019	FINANCIAL YEAR END
13 NOV 2018	ANNOUNCEMENT OF FIRST QUARTER FINANCIAL RESULTS
14 FEB 2019	ANNOUNCEMENT OF HALF YEAR FINANCIAL RESULTS
12 APR 2019	EXTRAORDINARY GENERAL MEETING
15 MAY 2019	ANNOUNCEMENT OF THIRD QUARTER FINANCIAL RESULTS
30 MAY 2019	PAYMENT OF INTERIM SPECIAL DIVIDEND
29 AUG 2019	ANNOUNCEMENT OF FULL YEAR FINANCIAL RESULTS
7 OCT 2019	DISPATCH OF ANNUAL REPORT TO SHAREHOLDERS
29 OCT 2019	ANNUAL GENERAL MEETING
5 NOV 2019	BOOK CLOSURE TO REGISTER MEMBERS FOR FINAL DIVIDEND
13 NOV 2019	PROPOSED PAYMENT OF FINAL DIVIDEND

Concerto Apartments residence lounge

CORPORATE DATA

BOARD OF DIRECTORS

Mr Lo Pang Foo Steven
(Non-Executive, Independent Director and Chairman)

Mr Peh Kwee Chim
(Executive Director)

Mr Peh Siong Woon Terence
(Chief Executive Officer and Executive Director)

Ms Heng Su-Ling Mae
(Non-Executive, Independent Director)

Mr Lim Kwee Siah
(Non-Executive Director)

AUDIT COMMITTEE

Ms Heng Su-Ling Mae (Chairman)

Mr Lim Kwee Siah

Mr Lo Pang Foo Steven

REMUNERATION COMMITTEE

Mr Lo Pang Foo Steven (Chairman)

Ms Heng Su-Ling Mae

Mr Lim Kwee Siah

NOMINATING COMMITTEE

Mr Lo Pang Foo Steven (Chairman)

Mr Peh Kwee Chim

Ms Heng Su-Ling Mae

COMPANY SECRETARY

Ms Valerie Tan May Wei

REGISTERED OFFICE

8 Jurong Town Hall Road
#26-01 The JTC Summit
Singapore 609434
Telephone: (65) 6559 9700
Facsimile: (65) 6268 1937
Website: www.chuanhup.com.sg
Email: corpsec_legal@chuanhup.com.sg

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

AUDITOR

Ernst & Young LLP
One Raffles Quay,
North Tower, Level 18
Singapore 048583

PARTNER-IN-CHARGE:

Mr Terry Wee Hiang Bing
Appointed with effect from the financial year ended 30 June 2015

Concerto Apartments garden cafe

Chuan Hup is committed to maintaining high standards of corporate governance to promote corporate transparency and to enhance shareholder value.

This report describes Chuan Hup's key corporate governance processes and activities for the financial year ended 30 June 2019 with reference to the principles set out in the Singapore Code of Corporate Governance 2012 (the "Code"). The Company has complied in all material aspects with the principles and guidelines of the Code where appropriate and deviations from the Code are explained.

BOARD MATTERS

The Board's Conduct of Affairs

(Principle 1)

The Board is collectively responsible for the long-term success of the Company. It provides leadership and guidance to Management, sets strategic objectives and ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews Management performance. The Board establishes a framework of prudent and effective controls which enables risks to be assessed and managed. The Board also sets the Company's values and standards, ensures that obligations to its shareholders and other key stakeholders are understood and met and considers sustainability issues, such as environmental and social factors, as part of its strategic formulation.

The Board is responsible for the Group's overall performance objectives, key operational initiatives, financial plans and annual budgets, major investments, divestments and major funding proposals, financial performance reviews, risk management and corporate governance practices. Each Director exercises his independent judgement to act in good faith and in the best interests of the Company to enhance the long-term value of the Group to its shareholders.

The Board is supported by the Board Committees established to assist the Board in discharging its responsibilities of overseeing the Group's affairs and enhancing corporate governance. These Committees are the Audit Committee, the Remuneration Committee and the Nominating Committee.

The Board conducts regular scheduled meetings on a quarterly basis. Where necessary, additional Board meetings are held to deliberate on any ad hoc significant matters. Attendance by conference telephone and video conference at Board meetings is allowed under Chuan Hup's Constitution. An aggregate of 4 Board meetings was held for the financial year ended 30 June 2019 ("FY2019").

The Directors' attendance at Board meetings and meetings of the various Board Committees during FY2019 are as follows:

Board Meetings

Directors	No. of Meetings Held	No. of Meetings Attended
Mr Lo Pang Foo Steven	4	4
Mr Peh Kwee Chim	4	4
Mr Peh Siong Woon Terence	4	4
Ms Heng Su-Ling Mae	4	4
Mr Lim Kwee Siah	4	4
Mdm Joanna Young Sau Kwan[1]	1	1

CORPORATE GOVERNANCE REPORT

Board Committee Meetings

Directors	Audit Committee		Remuneration Committee		Nominating Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Mr Lo Pang Foo Steven	4	4	2	2	2	2
Mr Peh Kwee Chim	–	–	–	–	2	2
Ms Heng Su-Ling Mae	4	4	2	2	2	2
Mr Lim Kwee Siah	4	4	2	2	–	–
Mdm Joanna Young Sau Kwan(1)	1	1	1	1	1	1

Note:

(1) Mdm Joanna Young Sau Kwan resigned as a Non-Executive, Independent Director and as the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees on 18 October 2018.

The Group has in place, financial authorisation limits for matters such as operating and capital expenditures, acquisition and disposal of assets and investments, which require the approval of the Board. Matters requiring the Board's decision and approval include, major funding proposals, investments, acquisitions and divestments, the Group's annual budget, annual and quarterly financial reports and appointment of Directors and key management staff, including review of their performance and remuneration packages.

Upon appointment, each Director receives a formal letter setting out the Directors' duties and responsibilities. All newly-appointed Directors undergo an orientation programme, which includes Management presentations on the Group's businesses, strategic plans and objectives. Training is provided for first-time Directors in areas such as accounting, legal and industry-specific knowledge as appropriate. As part of training for the Board, Directors are briefed from time to time on changes to laws, regulations, guidelines and accounting standards, as well as relevant trends or changing commercial risks during Board meetings or at specially convened sessions. Directors are also encouraged to attend, at the Company's expense, relevant and useful seminars for their continuing education and skills improvement courses that are conducted by external organisations. The Company Secretary will bring to Directors' attention information on seminars that may be of relevance or use to them. Articles and reports relevant to the Group's businesses are also circulated to the Directors for information.

During FY2019, the development or training programmes for the Directors included the following:

- Briefings on developments in accounting and governance standards presented by the Company's external auditor at Audit Committee Meetings

- Public conferences and briefings on topics such as audit and financial reporting, changes to the Code of Corporate Governance and SGX Listing Rules, ethics and corruption, valuation and impairment testing, risk management, cybersecurity and globalisation and governance in an era of disruption.

Board Composition and Guidance
(Principle 2)

There is a strong and independent element on the Board, with independent Directors making up at least one-third of the Board.

The Board currently comprises 5 Directors, 2 of whom are Non-Executive, Independent Directors, 1 of whom is a Non-Executive Director and 2 of whom are Executive Directors. The Non-Executive, Independent Directors are Mr Lo Pang Foo Steven and Ms Heng Su-Ling Mae. The Non-Executive Director is Mr Lim Kwee Siah. The Executive Directors are Mr Peh Kwee Chim and Mr Peh Siong Woon Terence.

The Nominating Committee determines, on an annual basis, whether or not a Director is independent bearing in mind the Code's definition of an "independent director" and guidance as to relationships the existence of which would deem a Director not to be independent.

In this connection, the Committee noted that Mr Lo Pang Foo Steven was a Non-Executive, Independent Director of PCI Limited ("PCI"). Until 7 May 2019, PCI was a listed subsidiary of the Company. During FY2019, the Company provided consultancy services to PCI. The aggregate value of the transaction was not significant compared to the revenues of the Company and PCI. Mr Lo was not involved in the decision making of the transaction between the Company and PCI. Mr Lo resigned from the PCI Board on 10 May 2019.

The Nominating Committee also noted that Mr Lo is a Director of Drew & Napier LLC, which is one of the law firms providing legal services to the Group. Mr Lo had declared to the Nominating Committee that he does not have a 10% or more stake in Drew & Napier LLC, and the total legal fees that Drew & Napier LLC received from the Group in FY2019 for the provision of legal services were less than S$200,000. The Nominating Committee also took into account Mr Lo's actual performance on the Board and Board Committees and agreed that Mr Lo has at all times discharged his duties with professionalism and objectivity, and exercised strong independent judgement in the best interests of the Company, and should therefore continue to be deemed an independent Director.

The Nominating Committee noted that Ms Heng Su-Ling Mae was an Independent, Non-Executive Director of Pacific Star Development Limited ("PSDL") until 7 June 2019. The Company's subsidiary, CH Biovest Pte. Limited ("CHB") has a 35.5% interest in PSDL. The investment in PSDL by CHB was made independent of Ms Heng's association with PSDL. The Committee is of the view that the above relationship did not impact Ms Heng's ability to act with independent judgement in the discharge of her responsibilities as a Director. The Committee is also of the view that Ms Heng has shown that she is able to exercise strong independent judgement in her deliberations and act in the best interests of the Company.

Mr Lo and Ms Heng had each abstained from the discussions and taking a decision in respect of his or her own independence.

The Board concurred with the reasons set forth by the Nominating Committee and was of the view that Mr Lo Pang Foo Steven and Ms Heng Su-Ling Mae should be deemed independent.

No independent Director has served on the Board beyond nine years from the date of his or her first appointment.

The Board is of the view that taking into account the nature and scope of the Company's operations, the present Board size is appropriate and facilitates effective decision making.

The Board is satisfied that the Board and its Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Company as well as core competencies such as accounting or finance, law, business or management experience, industry knowledge and strategic planning experience, required for the Board and Board Committees to be effective.

For FY2019, the Non-Executive Directors have constructively challenged and helped to develop proposals on strategy and reviewed the performance of Management. They have unrestricted access to Management and have sufficient time and resources to discharge their oversight function effectively.

Non-Executive Directors meet without the presence of Management periodically.

CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer
(Principle 3)

The Chairman of the Board is a non-executive appointment and is separate from the Chief Executive Officer function in Chuan Hup. There is a clear separation of the roles and responsibilities between the Chairman and the Chief Executive Officer. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board. He approves the agenda for the Board meetings and ensures sufficient time is allocated for discussion of all agenda items. He promotes an open environment for debate and ensures that the Non-Executive Directors are able to speak freely and contribute effectively. He ensures effective communication with shareholders, encourages constructive relations between the Board and Management and between the Directors and promotes high standard of corporate governance. The Chief Executive Officer leads the Management team and implements the Board's decisions. He is responsible for the day-to-day operations and business and the overall performance of the Group. The Chairman and the Chief Executive Officer are not related.

The Board does not have a lead independent director. The Nominating Committee and the Board are of the view that the appointment of a lead independent director is not necessary as the Board has sufficient independence given that (a) the Chairman and the Chief Executive Officer are separate persons; (b) the Chairman and the Chief Executive Officer are not family members; (c) the Chairman is not part of the Management team and (d) the Chairman is an Independent Director.

Board Membership
(Principle 4)

At the date of this Report, the Nominating Committee comprises Mr Lo Pang Foo Steven (Committee Chairman), Mr Peh Kwee Chim and Ms Heng Su-Ling Mae. The majority of the Nominating Committee members including the Chairman, are Non-Executive, Independent Directors.

The Nominating Committee's functions include reviewing Board succession plans for Directors, the Chairman and the Chief Executive Officer, evaluating the performance of the Board, Board Committees and Directors, reviewing training and professional development programmes for the Board, considering and making recommendations to the Board concerning the appointment and re-appointment of Directors and determining the independence of the Directors and progressive renewal of the Board. The role and functions of the Nominating Committee are set out in its Terms of Reference.

The Nominating Committee oversees the process for the appointment of new Directors. This process includes an evaluation of the candidate's capabilities by taking into consideration diversity of skills, experience, background, age, gender and other relevant factors and how the candidate fits into the overall desired competency matrix of the Board. The Nominating Committee may recourse to both internal as well as external sources to draw up a list of potential candidates. Short-listed candidates would be required to furnish their curriculum vitae stating in detail their qualifications, working experience, employment history, in addition to completing certain prescribed forms to enable the Nominating Committee to assess the candidate's independence status.

In evaluating a Director's competencies, commitment, contribution and performance for the purpose of re-appointment, the Nominating Committee takes into consideration a variety of factors such as attendance, preparedness, participation and candour.

At each Annual General Meeting ("AGM") of the Company, not less than one third of the Directors for the time being (being those who have been longest in office since their last re-election) are required to retire from office by rotation. A retiring Director is eligible for re-election by the shareholders of the Company at the AGM. Also, all newly appointed Directors during the year will hold office only until the next AGM and will be eligible for re-election.

Key information on the Directors is set out on pages 14 to 16 of this Annual Report.

The Nominating Committee has reviewed each Director's outside directorships, their principal commitments and attendance and contribution to the Board. The Nominating Committee is satisfied that all Directors have carried out their duties adequately, contributing to the effectiveness of the Board and Board Committees. The Directors had demonstrated their commitment to the Company and availability to attend to the affairs of the Company, both at formal meetings and informally. The Nominating Committee therefore does not recommend setting a limit on the number of listed company board representations that a Director may hold.

The Board does not encourage the appointment of Alternate Directors. No Alternate Director is currently being appointed to the Board.

Board Performance
(Principle 5)

The Board has implemented a process in consultation with the Nominating Committee, for assessing the effectiveness of the Board, its Board Committees and the Directors' contribution to the effectiveness of the Board on an annual basis. To provide feedback to aid in this assessment, each Director is required to complete an evaluation questionnaire. The evaluation questionnaire considers factors such as the size and composition of the Board and Board Committees, Board processes and accountability, Board and Board Committees' development and effectiveness, information management, decision-making processes, risk and crisis management and communication with Senior Management and shareholders. The evaluation and feedback are then consolidated and presented to the Board for discussion on areas of strengths and weaknesses to improve the effectiveness of the Board and its Committees. The Chairman would act on the results of the performance evaluation, and in consultation with the Nominating Committee, propose where appropriate, new members to be appointed to the Board or seek the resignation of Directors in order to enhance the effectiveness of the Board and its Committees. No external facilitator has been used for the purpose of Board assessment in FY2019. The Nominating Committee periodically reviews and improves the evaluation questionnaire as necessary. The Nominating Committee has decided for the time being that in view of the background, experience and expertise of each Director, it would not be necessary to assess the individual performance of each Director.

For the long-term success and value creation of the Company, the Board believes that its performance and that of individual Board members is reflected in, and evidenced by proper guidance, diligent oversight and able leadership of the Company, and the support that it lends to Management in steering the Company to achieve strategic goals. Having regard to its composition and mix, the Board has endeavoured through each Director's contributions and diversity of experience, to ensure that balanced and well-considered decisions are made in the best interests of the Company.

Access to Information
(Principle 6)

The Directors are provided with Board papers and related materials, background or explanatory information in advance of each Board Meeting to enable them to be properly informed of matters to be discussed and/or approved, as well as ongoing reports relating to operational and financial performance of the Group. The Board has separate and independent access to Senior Management and the Company Secretary at all times. The Company Secretary also assists the Chairman by ensuring good information flows within the Board and its Committees, and between Senior Management and the Non-Executive Directors. The Company Secretary attends and prepares minutes for all Board and Board Committee Meetings, advises the Board on governance matters and ensures that Board procedures are followed and that applicable rules and regulations are complied with. Under the Constitution of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

Directors, either individually or as a group, in the furtherance of their duties can take independent professional advice, if necessary, at the Company's expense.

REMUNERATION MATTERS
(Principles 7, 8 and 9)

At the date of this Report, the Remuneration Committee comprises Mr Lo Pang Foo Steven (Committee Chairman), Ms Heng Su-Ling Mae and Mr Lim Kwee Siah, all of whom are Non-Executive and the majority of whom, including the Chairman, are Independent Directors.

The duties of the Remuneration Committee include the following:

(a) Reviewing and recommending to the Board for endorsement, a general framework of remuneration for the Board and key management personnel. The framework covers all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses and benefits in kind;

(b) Reviewing and recommending to the Board for endorsement, the specific remuneration packages for each Director, as well as for the key management personnel; and

(c) Reviewing the level and mix of remuneration and benefits, policies and practices of the Company.

The role and functions of the Remuneration Committee are set out in its Terms of Reference, which set out its authority and duties.

If required, the Remuneration Committee will seek expert advice inside or outside the Company on remuneration of all Directors and key management personnel.

The Remuneration Committee reviews the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of services, to ensure that such contracts of services contain fair and reasonable termination clauses, if any.

The objective of the Group's remuneration policy is to ensure that the level and structure of the remuneration are aligned with the long-term interests and risk policies of the Company, and that the remuneration is able to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company and Group as a whole.

The remuneration packages of Executive Directors and key management personnel of the Group comprise two components. One component is fixed in the form of a base salary. The other component is variable comprising short-term and medium-term incentives, which are dependent on the financial performance of the Group and individual performance. The Remuneration Committee strongly supports and endorses the flexible wage system because it gives the Company more flexibility to ride through economic downturns. The Remuneration Committee has adopted profitability and net asset growth of the Group over the short and medium term as key performance measures. This aligns remuneration with the interests of the shareholders and promotes the long-term sustainable growth of the Group.

Presently, the Company does not have any share incentive option or other share schemes for its employees. The Remuneration Committee will review and recommend the implementation of a scheme if it deems necessary.

For FY2019, a post-employment benefit amounting to S$94,000 was granted to Ms Teng Yuun Yean who resigned as Group Chief Financial Officer on 31 October 2018.

Non-Executive Directors are paid a fixed fee, taking into account the effort, time spent and responsibilities of each Non-Executive Director. Non-Executive Directors are not overly compensated to the extent that their independence may be compromised. The fees of Non-Executive Directors are subject to shareholders' approval at the AGM. The Company does not have a retirement remuneration plan for Non-Executive Directors. Executive Directors do not receive any Directors' fees. No individual Director fixes his own remuneration.

Having reviewed and considered the variable components of remuneration of the Executive Directors and key management personnel, the Remuneration Committee is of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company.

The percentage breakdown of the fixed and variable components for each Director, the Chief Executive Officer and the key management personnel is disclosed herein. In FY2019, the top four key management personnel (who are not Directors or the Chief Executive Officer) are Mr Eldon Wan, Ms Valerie Tan May Wei, Ms Anne Liew Mei Hong and Ms Teng Yuun Yean (who resigned as Group Chief Financial Officer on 31 October 2018). In disclosing the remuneration of the top four key management personnel in bands of US$180,000, the Company provides a macro perspective without compromising the Group's business interests and minimises the highly competitive pressures which would arise from more detailed disclosures. The Board is also of the view that it is in the best interests of the Company not to fully disclose the remuneration of each Director, the Chief Executive Officer and the aggregate total remuneration paid to the top four key management personnel (who are not Directors or the Chief Executive Officer), given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment in which the Company operates.

Excluding Mr Peh Kwee Chim and Mr Peh Siong Woon Terence who are immediate family members, there was no employee of the Company and its subsidiaries who was an immediate family member of a Director or the Chief Executive Officer and whose remuneration exceeded US$36,000 during FY2019.

Remuneration paid or accrued to Directors and the Chief Executive Officer by the Group for the financial year ended 30 June 2019

Directors/Chief Executive Officer of Company	Fixed Component[1] (%)	Variable Component[2] (%)	Directors' Fees (%)	Total Compensation (%)
US$3,600,000 to US$3,779,999				
Mr Peh Kwee Chim	21	79	–	100
Mr Peh Siong Woon Terence (Chief Executive Officer and Executive Director)	19	81	–	100
Below US$180,000				
Mr Lo Pang Foo Steven	–	–	100	100
Ms Heng Su-Ling Mae	–	–	100	100
Mr Lim Kwee Siah	–	–	100	100
Mdm Joanna Young Sau Kwan[3]	–	–	100	100

Notes:

(1) Fixed component refers to base salary, allowances, benefits in kind and employer CPF.

(2) Variable component refers to variable bonus and employer CPF.

(3) Mdm Joanna Young Sau Kwan resigned as Director on 18 October 2018.

CORPORATE GOVERNANCE REPORT

Remuneration paid or accrued to the top four Key Management Personnel (who are not Directors or the Chief Executive Officer) by the Group for the financial year ended 30 June 2019

Remuneration Bands/ Key Management Personnel	Fixed Component[1] (%)	Variable Component[2] (%)	Total Compensation (%)
Between US$2,160,000 to US$2,339,999			
1	27	73	100
Between US$1,080,000 to US$1,259,999			
1	20	80	100
Between US$360,000 to US$539,999			
1	53	47	100
Below US$180,000			
1	48	52	100

Notes:

(1) Fixed component refers to base salary, allowances, benefits in kind, and employer CPF.

(2) Variable component refers to variable bonus and employer CPF.

ACCOUNTABILITY AND AUDIT

Accountability

(Principle 10)

The Board through its timely release of the Group's quarterly and full year results, aims to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

The Board has taken adequate steps to ensure compliance with legislative and regulatory requirements including the listing rules of the SGX-ST.

Chuan Hup recognises the importance of providing the Board with a continual flow of relevant information on an accurate and timely basis in order that it may effectively discharge its duties. Management provides the Board with management accounts on a regular basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Risk Management and Internal Controls

(Principle 11)

The Board has overall responsibility for the governance of the Group's risk management and internal controls. The Board and Management of the Company are fully committed to maintaining sound risk management and internal control systems to safeguard shareholders' interests and the Group's assets.

The Board determines the Company's levels of risk tolerance and risk policies, and oversees Management in the design, implementation and monitoring of the risk management and internal control systems.

The Board has implemented an Enterprise Risk Management Framework for the identification, assessment, monitoring and reporting of financial, operational, information technology and compliance risks. The Company maintains a risk register which identifies the material risks facing the Group and the internal controls in place to manage or mitigate those risks. Management reviews and updates the risk register regularly and updates the Board.

On an annual basis, the Group's internal auditor prepares an audit plan taking into consideration risks identified and assessed from the risk management system. This risk-based audit plan is approved by the Audit Committee and audits are conducted to assess the adequacy and effectiveness of the Group's system of internal controls in addressing financial, operational, compliance and information technology risks. In addition, material control weaknesses over financial reporting, if any, are highlighted by the external auditor in the course of the statutory audit.

All audit findings and recommendations made by the internal and external auditors are reported to the Audit Committee and significant findings are discussed at the Audit Committee meetings. Management follows up on all recommendations to ensure timely remediation of audit issues and reports the status to the Audit Committee.

The Board has received assurance from the Chief Executive Officer and the Chief Operating Officer, who oversees all financial, accounting, taxation and risk management matters of the Group, that:

(a) The financial records of the Group have been properly maintained and the financial statements for the year ended 30 June 2019 give a true and fair view of the Group's operations and finances; and

(b) The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Based on the risk management and internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management and the Board Committees as well as the assurance received from the Chief Executive Officer and the Chief Operating Officer, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls and risk management systems were adequate and effective as at 30 June 2019.

The Board notes that the system of risk management and internal controls established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit Committee
(Principle 12)

At the date of this Report, the Audit Committee comprises Ms Heng Su-Ling Mae (Committee Chairman), Mr Lim Kwee Siah and Mr Lo Pang Foo Steven, all of whom are Non-Executive, and the majority of whom, including the Chairman, are Independent Directors. Ms Heng Su-Ling Mae and Mr Lim Kwee Siah have recent and relevant accounting or related financial management expertise and in-depth experience. Mr Lo Pang Foo Steven has in-depth knowledge of the responsibilities of the Audit Committee and practical experience and knowledge of the issues and considerations affecting the Committee.

The role of the Audit Committee is documented in its Terms of Reference, which define the purpose, authority and responsibilities of the Audit Committee.

The Audit Committee has full access to and co-operation by Management. The Audit Committee also has full discretion to invite any Director or executive officer to attend its meetings, and has been given adequate resources to discharge its functions. The Audit Committee meets with the internal and external auditors without the presence of Management annually.

CORPORATE GOVERNANCE REPORT

The Audit Committee held four meetings during FY2019. The Audit Committee performed its functions and responsibilities, under its Terms of Reference which include the following:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls including material financial, operational, compliance and information technology controls and risk management system;

(c) reviewing the effectiveness of the Company's internal audit function;

(d) reviewing the scope and results of the external audit and the independence and objectivity of the external auditor;

(e) making recommendations to the Board on the proposals to the shareholders relating to the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;

(f) reviewing and approving processes to regulate interested person transactions and to ensure compliance with the applicable regulations; and

(g) reviewing the policy and arrangements by which employees of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, with a view to ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

The Audit Committee discussed the key audit matters for FY2019 with Management and the external auditor. The Audit Committee concurs with the basis and conclusions included in the auditor's report with respect to key audit matters.

For more information on the key audit matters, please refer to pages 43 to 46 of this Annual Report.

The Audit Committee considered the volume of non-audit services provided by the external auditor to the Group, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, confirmed their re-nomination. The aggregate amount of fees paid to the external auditor in FY2019 and a breakdown of the fees paid in respect of audit and non-audit services are stated in the notes to the financial statements.

Some of the Company's subsidiaries and its significant associated company, Finbar Group Limited, are audited by different audit firms. The names of these audit firms are listed on page 100 and 102 of the Annual Report. The Board and the Audit Committee are satisfied that the appointment of these auditors would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Board confirms that Rule 712 and Rule 715 read with Rule 716 of the SGX-ST Listing Manual have been complied with.

The Audit Committee has nominated Ernst and Young LLP for re-appointment as external auditor of the Company at the forthcoming AGM.

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the Audit Committee, and highlighted by the external auditor in their meetings with the Audit Committee.

None of the Audit Committee members was a former partner of the Company's existing external auditor, Ernst and Young LLP, within the previous 12 months or has any financial interest in the firm.

Interested Person Transactions Policy

The Company has procedures in place to comply with the SGX-ST Listing Manual requirements relating to interested person transactions of the Company.

The aggregate value of interested person transactions ("IPTs") entered into during the financial year under review is as follows:

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000/US$74,000) and transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000/US$'000	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000/US$74,000) S$'000/US$'000
Mr Lim Kwee Siah – provision of consultancy services	243/179	NIL

Whistleblowing Policy

The Company has implemented a whistleblowing policy, which serves to encourage and provide a channel to staff of the Company and any other persons to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing or breach of applicable laws, regulations, policies or other matters. The objectives for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. Reports can be made by mail to Chuan Hup Holdings Limited at 8 Jurong Town Hall Road, #26-01 The JTC Summit, Singapore 609434 and addressed to the Chairman of the Audit Committee.

Internal Audit
(Principle 13)

The internal audit function of the Company is outsourced to RSM Risk Advisory Pte Ltd (the "Internal Auditor"), which is independent of Management. The appointment, removal, evaluation and compensation of the Internal Auditor is approved by the Audit Committee. The Audit Committee's oversight and supervision of the Group's internal controls are complemented by the work of the Internal Auditor, whose role is to assist the Audit Committee to ensure that the Group maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the Audit Committee.

The Internal Auditor's primary line of reporting is to the Chairman of the Audit Committee. The Audit Committee meets the Internal Auditor at least once annually without the presence of Management. The Internal Auditor has unfettered access to the Audit Committee, the Board and Management as well as the Group's documents, records, properties and personnel.

The Internal Auditor carries out its function according to the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

During the financial year, the Internal Auditor conducted its audit review based on the internal audit plan approved by the Audit Committee. The Internal Auditor submitted its internal audit report to the Audit Committee on audit findings and actions taken by Management on the findings.

CORPORATE GOVERNANCE REPORT

For FY2019, the Audit Committee was satisfied that the internal audit function was independent, adequately resourced and has appropriate standing within the Group and co-operation of the Management to carry out its duties effectively.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Shareholder Rights, Communication with Shareholders and Conduct of Shareholder Meetings
(Principles 14, 15 and 16)

The Company is committed to treating all shareholders fairly and equitably. The Company recognises, protects and facilitates the exercise of shareholders' rights and continually reviews and updates such governance arrangements. The Company is committed to providing shareholders with timely, adequate and relevant information pertaining to changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares to enable shareholders to make informed decisions in respect of their investments in the Company. It does not practise selective disclosure of price-sensitive information.

The Company strongly encourages and supports shareholder participation at general meetings. Shareholders are informed of general meetings through published notices in the annual reports or circulars sent to all shareholders. The notice of general meeting, which sets out all items of business to be transacted at the general meeting, is also released via SGXNet and published in The Business Times. Shareholders are informed of the rules, including voting procedures, that govern general meetings of shareholders.

A shareholder who is entitled to attend and vote may either vote in person or in absentia through the appointment of one or more proxies (who can either be named individuals nominated by the shareholder to attend the meeting or the Chairman of the meeting as the shareholder may select). The Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold Chuan Hup shares through a nominee company or custodian bank or through a CPF agent bank may attend and vote at the general meetings.

In line with the continuous disclosure obligation of the Group, the Board's policy is that shareholders be informed promptly of all major developments that impact the Company and its subsidiaries. The Company communicates information to shareholders and the investing community through timely release of announcements that are released to the SGX-ST via SGXNet. Such announcements include the quarterly and full year results, material transactions, and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the SGX-ST. Annual Reports are issued within the mandatory period. The Company also maintains a website at www.chuanhup.com.sg where the public can access information on the Group including the announcements made to SGX-ST. Enquiries from investors, shareholders and analysts are handled by specifically designated members of Senior Management in lieu of a dedicated investor relations team. Should an inadvertent disclosure be made to a select group, the Company will make the same disclosure publicly as promptly as possible.

The Company's policy on the payment of dividends (excluding special dividends) is to endeavour – barring unforeseen circumstances – to pay up to fifty percent (50%) of net profit after tax. In considering the level of dividend payments, the Board takes into account various factors including the level of available cash, the return on equity and retained earnings and projected level of capital expenditure and other investment plans.

The Company's main forum for dialogue and interaction with shareholders takes place at its AGM, where the members of the Board, the Chairman of each Board Committee, Senior Management and the external auditor are in attendance. At the AGM, shareholders are given the opportunity to air their views and ask questions regarding the Company. The external auditor is present to address shareholders' queries on the conduct of audit and the preparation and content of the auditor's report.

The Board ensures that there are separate resolutions at general meetings on each substantially separate issue to safeguard shareholder interests and rights. The Company does not "bundle" resolutions, unless the resolutions are interdependent and linked so as to form one significant proposal.

The Company prepares minutes of general meetings, that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. These minutes are available to shareholders upon their request.

To ensure transparency in the voting process, and better reflect shareholders' interests, the Company puts all resolutions at general meetings to vote by electronic poll voting. An independent scrutineer is also appointed to count and validate the votes cast at the meetings. Detailed results showing the number of votes cast for and against each resolution and the respective percentage will be displayed live-on-screen to shareholders/proxies immediately after each poll conducted. The polling results are also announced on the SGX-ST and the Company's website. However, as the authentication of shareholders identity and other related security and integrity of the information still remain a concern, Chuan Hup has decided for the time being, not to implement voting in absentia by e-mail or fax.

Dealing in Securities

The Group has clear internal guidelines for dealings in securities of the Company by Directors and employees. Chuan Hup's Directors and employees are prohibited from dealing in Chuan Hup's shares during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements. In addition, Directors and employees are prohibited from dealing in Chuan Hup's shares on short-term considerations and/or while in possession of unpublished material price-sensitive information relating to Chuan Hup shares.

Swimming pool at Concerto Apartments

FINANCIAL **STATEMENTS**

CONTENTS

39	DIRECTORS' STATEMENT
43	INDEPENDENT AUDITOR'S REPORT
50	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
52	BALANCE SHEETS
54	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
56	STATEMENT OF CHANGES IN EQUITY
58	CONSOLIDATED CASH FLOW STATEMENT
60	NOTES TO THE FINANCIAL STATEMENTS

Directors' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Chuan Hup Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 30 June 2019 and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2019.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

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

DIRECTORS

The directors of the Company in office at the date of this statement are:

Mr Lo Pang Foo Steven
Mr Peh Kwee Chim
Mr Peh Siong Woon Terence
Ms Heng Su-Ling Mae
Mr Lim Kwee Siah

Mdm Joanna Young Sau Kwan who served during the financial year, stepped down as a Director of the Company following the conclusion of the Annual General Meeting on 18 October 2018.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' STATEMENT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Companies Act, Chapter 50 of Singapore, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	At beginning of the financial year or date of appointment	At end of the financial year	At beginning of the financial year or date of appointment	At end of the financial year
Chuan Hup Holdings Limited				
(ordinary shares)				
Mr Peh Kwee Chim	19,379,000	19,379,000	478,264,490[1]	478,264,490[1]
Mr Peh Siong Woon Terence	–	–	478,264,490[1]	478,264,490[1]
Ms Heng Su-Ling Mae	–	–	50,000[1]	50,000[1]
Mr Lim Kwee Siah	230,000	230,000	–	–
PCI Limited				
(ordinary shares)				
Mr Peh Kwee Chim	–	–	152,701,506[1]	–
Mr Peh Siong Woon Terence	–	–	152,701,506[1]	–

(1) Deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore and Section 7 of the Companies Act, Chapter 50 of Singapore.

By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore and Section 7 of the Companies Act, Chapter 50 of Singapore, Mr Peh Kwee Chim and Mr Peh Siong Woon Terence are deemed to have an interest in all the related corporations of the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2019.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning, or at the end of the financial year.

SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under options

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

AUDIT COMMITTEE

The Audit Committee comprises the following Non-Executive Directors at the date of this statement:

Ms Heng Su-Ling Mae (Chairman)
Mr Lo Pang Foo Steven
Mr Lim Kwee Siah

All the Audit Committee members, except Mr Lim Kwee Siah, are independent.

Mdm Joanna Young Sau Kwan, who served during the financial year, stepped down as Chairman of the Audit Committee following the conclusion of the Annual General Meeting on 18 October 2018.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50 of Singapore and the Singapore Exchange Securities Trading Limited Listing Manual. The functions carried out are detailed in the Corporate Governance Report, which is included in the Company's Annual Report for the financial year ended 30 June 2019, and include a review of the financial statements of the Company and of the Group for the financial year and the external auditor's report thereon.

Accordingly, the Audit Committee has also undertaken a review of the nature and extent of non-audit services provided by the external auditor to the Group. In the opinion of the Audit Committee, these services would not affect the independence of the external auditor.

The Audit Committee has recommended to the Board that the auditor, Ernst & Young LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Directors' STATEMENT

AUDITOR

Ernst & Young LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Peh Siong Woon Terence
Director

Peh Kwee Chim
Director

Singapore
20 September 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Chuan Hup Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2019, the statements of changes in equity of the Group and the Company, the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters (continued)

Valuation of investment properties

As at 30 June 2019, the Group has investment properties of US$55.5 million.

The investment properties are measured at fair value whereby the use of judgement and estimation is required to determine the appropriate valuation method to be used as well as the underlying valuation assumptions. As such, we identified this to be a key audit matter.

Management use independent professional external valuer to determine the fair value of investment properties using the direct comparison method and adjusted for factors such as differences in location, age, tenure, floor area, physical condition and date of transactions.

How our audit addressed the key audit matter

We considered the objectivity, independence and competency of the external valuer.

We assessed the appropriateness of the valuation method used and the reasonableness of the underlying valuation assumptions by making comparison with external market data. We evaluated the reasonableness of assumptions used such as location, age, tenure, floor area and date of transactions of comparable properties. We also discussed with the external valuer and obtained explanations to support the selection of valuation method as well as the key assumptions used to establish the valuation.

The key areas of judgement and estimation involved in valuation of investment properties are disclosed in Note 3.2(a) to the financial statements and information related to investment properties is provided in Note 13 to the financial statements.

Valuation of development properties

As at 30 June 2019, the Group has development properties of US$15.1 million.

Management exercise judgement in their assessment as to whether there is need to write down the development properties so that they are carried at the lower of cost and net realisable value.

These judgements include the estimation of the expected selling prices of development properties taking into account market demand for such properties. As such, we identified this to be a key audit matter.

Key audit matters (continued)

Valuation of development properties (continued)

How our audit addressed the key audit matter

For development properties under construction, we made inquiries of relevant management personnel and inspected relevant documentation such as budgets, funding agreements, supplier contracts and internal reports to understand project design complexity, sub-contractor reliance, other project risks and project funding which could negatively impact costs to complete. We also evaluated forecast selling prices and forecast total costs by making comparisons to a sample of actual selling prices of comparable properties and actual construction costs incurred by the Group.

For completed development properties, we assessed whether the carrying value of development properties is appropriately stated at the lower of cost and net realisable value by testing a sample of sales made during the year and subsequent to year end to assess the sales margins achieved. Additionally, we compared forecast selling prices to total costs to assess forecast margin.

The key areas of judgement and estimation involved in valuation of development properties are disclosed in Note 3.2(b) to the financial statements and information related to development properties is provided in Note 20 to the financial statements.

Pacific Star Development Limited

As at 30 June 2019, the Group has associates carried at US$38.4 million, which include an associate Pacific Star Development Limited (PSDL) which is carried at US$2.5 million.

The Group previously carried a fair value uplift of US$18.2 million of PSDL's development properties determined as part of the purchase price allocation performed by an independent professional valuer when it acquired PSDL as an associate.

Management exercise judgement in their assessment as to whether there is a need to write down the fair value uplift. These judgements include estimation of the expected selling prices of PSDL's development properties taking into account market demand for such properties. As such, we identified this to be a key audit matter.

PSDL reported a net loss of S$25.2 million for financial year ended 30 June 2019 compared to a net profit in the prior year. This included a S$0.9 million write-down on its development properties. PSDL has also reported a continuing deterioration in the residential property markets in which it has unsold development properties, due to a larger supply of unsold inventory in the market and tight mortgage lending conditions. Property developers have begun to reduce sales prices more aggressively in an attempt to sell their unsold inventory.

Management have considered these factors and determined that the remaining fair value uplift of PSDL's development properties should be fully written down.

Key audit matters (continued)

Pacific Star Development Limited (continued)

How our audit addressed the key audit matter

We assessed the results reported by PSDL for financial year ended 30 June 2019.

We discussed with management and evaluated their assessment of the property market conditions in the markets in which PSDL has development properties and the expected market demand for PSDL's development properties. We also considered management's assessment of PSDL's expected actions to address its unsold development properties and the impact on their expected selling prices.

The key areas of judgement and estimation involved in determination of PSDL's carrying amount are disclosed in Note 3.1(a) to the financial statements and information related to associates is provided in Note 15 to the financial statements.

Valuation of unquoted equity investments

As at 30 June 2019, the Group has investment securities of US$21.5 million, which include unquoted equity investments of US$20.5 million.

The unquoted equity investments are now measured at fair value whereby the use of judgement and estimation is required to determine the appropriate valuation method to be used as well as the underlying valuation assumptions. As such, we identified this to be a key audit matter.

Management use independent professional external valuers to determine the fair value of the unquoted equity investments.

How our audit addressed the key audit matter

We considered the objectivity, independence and competency of the external valuers.

We assessed the appropriateness of the valuation methods used and the reasonableness of the underlying valuation assumptions used such as expected sale proceeds, cost of replacement and adjustments to reflect the Group's minority state in the investments. We also discussed with the external valuers and obtained explanations to support the selection of the valuation methods as well as the key assumptions used to establish the valuation.

The key areas of judgement and estimation involved in valuation of unquoted equity investments are disclosed in Note 3.2(c) to the financial statements and information related to unquoted equity investments is provided in Note 17 to the financial statements.

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Terry Wee Hiang Bing.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
20 September 2019

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group 2019 US$'000	Group 2018 US$'000 (restated)
Continuing operations			
Revenue	4	**18,286**	56,625
Property development expense		**(12,539)**	(47,273)
Other operating expenses		**(226)**	(248)
Changes in fair value of investment properties	13	**(1,009)**	157
Changes in fair value of investment securities		**3,266**	(2,554)
Changes in fair value of derivative financial instruments		**496**	(160)
Impairment loss on available-for-sale financial assets		**–**	(464)
Employee benefits expense		**(11,086)**	(4,476)
Depreciation/amortisation expense		**(128)**	(135)
Other expenses		**(1,357)**	(1,080)
Other losses, net	5	**(1,228)**	(718)
Finance costs		**(239)**	(205)
Share of results of associates		**(20,476)**	(50)
Loss before tax from continuing operations	6	**(26,240)**	(581)
Income tax expense	7	**(745)**	(332)
Loss from continuing operations, net of tax		**(26,985)**	(913)
Discontinued operations			
Profit from discontinued operations, net of tax	8	**73,004**	18,257
Profit for the year		**46,019**	17,344
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Financial assets, at fair value through other comprehensive income:			
Changes in fair value		**(1,519)**	–
Fair value changes reclassified to accumulated profits		**51**	–
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets:			
Changes in fair value		**–**	(1,162)
Fair value changes reclassified to profit or loss		**–**	352
Currency translation		**(2,073)**	(1,884)
Share of currency translation reserves of associates		**239**	148
Other comprehensive income for the year, net of tax		**(3,302)**	(2,546)
Total comprehensive income for the year		**42,717**	14,798

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group	
		2019	**2018**
		US$'000	**US$'000**
			(restated)
Profit/(loss) attributable to:			
Equity holders of the Company			
Continuing operations, net of tax		**(26,985)**	(913)
Discontinued operations, net of tax		**70,916**	14,003
		43,931	13,090
Non-controlling interests			
Discontinued operations, net of tax		**2,088**	4,254
		46,019	17,344
Total comprehensive income attributable to:			
Equity holders of the Company			
Continuing operations, net of tax		**(30,493)**	(3,554)
Discontinued operations, net of tax		**71,074**	14,076
		40,581	10,522
Non-controlling interests			
Discontinued operations, net of tax		**2,136**	4,276
		42,717	14,798
(Loss)/earnings per share (US cents):	9		
From continuing operations			
Basic		**(2.91)**	(0.10)
Diluted		**(2.91)**	(0.10)
From continuing and discontinued operations			
Basic		**4.73**	1.41
Diluted		**4.73**	1.41

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
AS AT 30 JUNE 2019

	Note	Group			Company		
		30 June		1 July	30 June		1 July
		2019	2018	2017	2019	2018	2017
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
			(restated)	(restated)			
Assets							
Non-current assets							
Plant and equipment	11	**609**	10,923	8,827	**609**	320	444
Prepaid lease payments	12	**–**	17,734	18,580	**–**	–	–
Investment properties	13	**55,455**	24,196	23,816	**–**	–	–
Subsidiaries	14	**–**	–	–	**26,657**	57,497	57,497
Associates	15	**38,350**	62,146	58,592	**38,513**	40,143	33,400
Investment securities	17	**21,460**	26,789	28,964	**586**	4,537	5,419
Other receivables	22	**–**	62	28,871	**–**	–	–
Other assets	18	**–**	80	261	**–**	–	–
Deferred tax assets	19	**–**	244	96	**–**	–	–
		115,874	142,174	168,007	**66,365**	102,497	96,760
Current assets							
Development properties	20	**15,077**	25,882	66,116	**–**	–	–
Inventories	21	**–**	38,793	36,809	**–**	–	–
Trade and other receivables	22	**15,670**	61,528	61,090	**331**	122	42
Tax recoverable		**7**	357	285	**–**	–	–
Amounts due from subsidiaries	23	**–**	–	–	**164,083**	53,052	88,988
Investment securities	17	**16,375**	19,663	11,255	**16,375**	15,650	8,920
Derivative financial instruments	24	**900**	–	12	**–**	–	–
Cash and cash equivalents	25	**124,641**	116,958	102,639	**27,791**	39,060	32,083
		172,670	263,181	278,206	**208,580**	107,884	130,033
Total assets		**288,544**	405,355	446,213	**274,945**	210,381	226,793
Equity and liabilities							
Current liabilities							
Borrowings	26	**49**	7,633	7,720	**49**	–	–
Trade and other payables	27	**18,337**	81,562	114,958	**9,914**	3,362	3,376
Amounts due to subsidiaries	28	**–**	–	–	**44,175**	4,006	1,694
Income tax payable		**353**	5,230	5,429	**–**	–	–
Derivative financial instruments	24	**–**	323	175	**–**	226	95
		18,739	94,748	128,282	**54,138**	7,594	5,165
Non-current liabilities							
Other payables	27	**157**	461	270	**–**	28	–
Deferred tax liabilities	19	**409**	1,385	1,981	**–**	–	–
		566	1,846	2,251	**–**	28	–
Total liabilities		**19,305**	96,594	130,533	**54,138**	7,622	5,165

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		Group			Company		
		30 June		1 July	30 June		1 July
	Note	2019	2018	2017	2019	2018	2017
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
			(restated)	(restated)			
Equity							
Share capital	29	**150,863**	150,863	150,863	**150,863**	150,863	150,863
Reserves	30	**4,075**	(1,695)	873	**(1,996)**	(2)	258
Accumulated profits		**114,301**	136,117	143,548	**71,940**	51,898	70,507
Equity attributable to equity holders of the Company		**269,239**	285,285	295,284	**220,807**	202,759	221,628
Non-controlling interests		**–**	23,476	20,396	**–**	–	–
Total equity		**269,239**	308,761	315,680	**220,807**	202,759	221,628
Total equity and liabilities		**288,544**	405,355	446,213	**274,945**	210,381	226,793

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Attributable to equity holders of the Company								
Group	**Share capital US$'000**	**Currency translation reserve US$'000**	**Investment revaluation reserve US$'000**	**FVOCI reserve US$'000**	**Capital reserve US$'000**	**Accumulated profits US$'000**	**Total US$'000**	**Non-controlling interests US$'000**	**Total equity US$'000**
Balance at 1 July 2018									
(As previously stated)	150,863	(1,485)	(280)	–	343	136,145	285,586	23,476	309,062
Adoption of SFRS(I) 1	–	(273)	–	–	–	273	–	–	–
Adoption of SFRS(I) 9	–	–	280	7,073	–	4,730	12,083	–	12,083
Adoption of SFRS(I) 1-23	–	–	–	–	–	(301)	(301)	–	(301)
Balance at 1 July 2018									
(As restated)	150,863	(1,758)	–	7,073	343	140,847	297,368	23,476	320,844
Profit for the year	–	–	–	–	–	43,931	43,931	2,088	46,019
Other comprehensive income									
Financial assets, at FVOCI									
Changes in fair value	–	–	–	(1,519)	–	–	(1,519)	–	(1,519)
Fair value changes reclassified									
to accumulated profits	–	–	–	–	–	51	51	–	51
Currency translation	–	(2,121)	–	–	–	–	(2,121)	48	(2,073)
Share of reserves of associate	–	239	–	–	–	–	239	–	239
Other comprehensive income,									
net of tax	–	(1,882)	–	(1,519)	–	51	(3,350)	48	(3,302)
Total comprehensive income									
for the year	–	(1,882)	–	(1,519)	–	43,982	40,581	2,136	42,717
Contributions by and distributions									
to owners									
Dividends paid to equity holders of									
the Company (Note 10)	–	–	–	–	–	(68,136)	(68,136)	–	(68,136)
Dividends paid to non-controlling									
interests of a subsidiary	–	–	–	–	–	–	–	(1,675)	(1,675)
Total contributions by and									
distributions to owners	–	–	–	–	–	(68,136)	(68,136)	(1,675)	(69,811)
Changes in ownership interests									
in subsidiaries									
Disposal of subsidiaries	–	(231)	–	(4)	(343)	4	(574)	(23,937)	(24,511)
Total changes in ownership									
interests in subsidiaries	–	(231)	–	(4)	(343)	4	(574)	(23,937)	(24,511)
Total transactions with owners									
in their capacity as owners	–	(231)	–	(4)	(343)	(68,132)	(68,710)	(25,612)	(94,322)
Others									
Transfer of fair value reserves									
of financial assets at FVOCI									
upon disposal	–	–	–	2,396	–	(2,396)	–	–	–
Total others	–	–	–	2,396	–	(2,396)	–	–	–
Balance at 30 June 2019	150,863	(3,871)	–	7,946	–	114,301	269,239	–	269,239

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Attributable to equity holders of the Company							
Group	**Share capital US$'000**	**Currency translation reserve US$'000**	**Investment revaluation reserve US$'000**	**Capital reserve US$'000**	**Accumulated profits US$'000**	**Total US$'000**	**Non-controlling interests US$'000**	**Total equity US$'000**
Balance at 1 July 2017 (As previously stated)	150,863	273	530	343	143,392	295,401	20,396	315,797
Adoption of SFRS(I) 1	–	(273)	–	–	273	–	–	–
Adoption of SFRS(I) 1-23	–	–	–	–	(117)	(117)	–	(117)
Balance at 1 July 2017 (As restated)	150,863	–	530	343	143,548	295,284	20,396	315,680
Profit for the year (restated)	–	–	–	–	13,090	13,090	4,254	17,344
Other comprehensive income								
Available-for-sale financial assets:								
Changes in fair value	–	–	(1,162)	–	–	(1,162)	–	(1,162)
Fair value changes reclassified to profit or loss	–	–	352	–	–	352	–	352
Currency translation	–	(1,906)	–	–	–	(1,906)	22	(1,884)
Share of reserves of associate	–	148	–	–	–	148	–	148
Other comprehensive income, net of tax	–	(1,758)	(810)	–	–	(2,568)	22	(2,546)
Total comprehensive income for the year	–	(1,758)	(810)	–	13,090	10,522	4,276	14,798
Contributions by and distributions to owners								
Dividends paid to equity holders of the Company (Note 10)	–	–	–	–	(20,521)	(20,521)	–	(20,521)
Dividends paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	(1,193)	(1,193)
Total contributions by and distributions to owners	–	–	–	–	(20,521)	(20,521)	(1,193)	(21,714)
Changes in ownership interests in subsidiaries								
Disposal of a subsidiary	–	–	–	–	–	–	(3)	(3)
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	(3)	(3)
Total transactions with owners in their capacity as owners	–	–	–	–	(20,521)	(20,521)	(1,196)	(21,717)
Balance at 30 June 2018	150,863	(1,758)	(280)	343	136,117	285,285	23,476	308,761

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Company	Share capital US$'000	Investment revaluation reserve US$'000	FVOCI reserve US$'000	Accumulated profits US$'000	Total equity US$'000
Balance at 1 July 2018 (As previously stated)	150,863	(2)	–	51,898	202,759
Adoption of SFRS(I) 9	–	2	(2,906)	2,904	–
Balance at 1 July 2018 (As restated)	150,863	–	(2,906)	54,802	202,759
Profit for the year	–	–	–	86,961	86,961
Other comprehensive income					
Financial assets, at FVOCI					
Changes in fair value	–	–	(776)	–	(776)
Fair value changes reclassified to accumulated profits	–	–	–	(1)	(1)
Other comprehensive income, net of tax	–	–	(776)	(1)	(777)
Total comprehensive income for the year	–	–	(776)	86,960	86,184
Contributions by and distributions to owners					
Dividends paid to equity holders of the Company (Note 10)	–	–	–	(68,136)	(68,136)
Total contributions by and distributions to owners	–	–	–	(68,136)	(68,136)
Others					
Transfer of fair value reserves of financial assets at FVOCI upon disposal	–	–	1,686	(1,686)	–
Total others	–	–	1,686	(1,686)	–
Balance at 30 June 2019	150,863	–	(1,996)	71,940	220,807

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company	Share capital US$'000	Investment revaluation reserve US$'000	Accumulated profits US$'000	Total equity US$'000
Balance at 1 July 2017	150,863	258	70,507	221,628
Profit for the year	–	–	1,912	1,912
Other comprehensive income				
Available-for-sale financial assets:				
Changes in fair value	–	(612)	–	(612)
Fair value changes reclassified to profit or loss	–	352	–	352
Other comprehensive income, net of tax	–	(260)	–	(260)
Total comprehensive income for the year	–	(260)	1,912	1,652
Contributions by and distributions to owners				
Dividends paid to equity holders of the Company (Note 10)	–	–	(20,521)	(20,521)
Total contributions by and distributions to owners	–	–	(20,521)	(20,521)
Balance at 30 June 2018	150,863	(2)	51,898	202,759

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group 2019 US$'000	Group 2018 US$'000 (restated)
Operating activities			
Loss before tax from continuing operations		**(26,240)**	(581)
Profit before tax from discontinued operations	8	**75,944**	22,959
Profit before tax, total		**49,704**	22,378
Adjustments for:			
Share of results of associates		**20,476**	50
Depreciation/amortisation expense		**3,175**	3,486
Dividend income		**(2,155)**	(1,377)
Interest income		**(2,090)**	(1,607)
Finance costs		**239**	205
Unrealised translation loss/(gain)		**314**	(82)
Gain on disposal of plant and equipment		**(49)**	(39)
Plant and equipment written off	5	**99**	–
Gain on liquidation of a subsidiary	5	**–**	(3)
Gain on disposal of subsidiaries		**(63,545)**	–
Gain on disposal of other assets		**–**	(32)
Gain on disposal of available-for-sale financial assets	5	**–**	(88)
Changes in fair value of investment properties	13	**1,009**	(157)
Changes in fair value of investment securities		**(3,266)**	2,554
Changes in fair value of derivative financial instruments		**(496)**	160
Impairment loss on available-for-sale financial assets		**–**	464
Allowance for inventories	21	**–**	641
Operating cash flows before changes in working capital		**3,415**	26,553
Changes in working capital:			
Decrease in development properties		**10,805**	40,234
Increase in inventories		**(2,278)**	(2,625)
Decrease/(increase) in investment securities		**5,827**	(10,962)
Decrease in receivables		**4,161**	7,879
Decrease in payables		**(10,627)**	(33,154)
Cash flows from operations		**11,303**	27,925
Interest paid		**(271)**	(184)
Interest received		**2,134**	1,649
Dividends received from investment securities		**610**	323
Income tax paid		**(5,309)**	(6,167)
Net cash flows from operating activities		**8,467**	23,546

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2019 US$'000	Group 2018 US$'000 (restated)
Investing activities			
Purchase of plant and equipment	11	**(2,893)**	(4,949)
Proceeds from disposal of plant and equipment		**207**	39
Purchase of available-for-sale financial assets		**–**	(6,269)
Proceeds from disposal of financial assets, at FVOCI		**15,943**	7,258
Dividends received from financial assets, at FVOCI		**1,564**	1,571
Purchase of investment properties	13	**(32,020)**	–
Proceeds from disposal of other assets		**–**	213
Net cash inflow from disposal of subsidiaries	8	**92,864**	–
Dividends received from an associate		**2,418**	2,189
Additional investment in an associate		**(597)**	(6,743)
Increase in property development loan to an associate		**–**	(534)
Repayment of property development loan by an associate		**–**	20,843
Net cash flows from investing activities		**77,486**	13,618
Financing activities			
Dividends paid to equity holders of the Company	10	**(68,136)**	(20,521)
Dividends paid to non-controlling interests of a subsidiary	14	**(1,675)**	(1,193)
Proceeds from borrowings		**18,524**	197
Repayment of borrowings		**(25,812)**	(284)
Net cash flows used in financing activities		**(77,099)**	(21,801)
Net increase in cash and cash equivalents		**8,854**	15,363
Effect of exchange rate changes on cash and cash equivalents		**(1,171)**	(1,044)
Cash and cash equivalents at beginning of the year		**116,958**	102,639
Cash and cash equivalents at end of the year	25	**124,641**	116,958

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Chuan Hup Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 8 Jurong Town Hall Road, #26-01 The JTC Summit, Singapore 609434. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are that of investment holding, investment trading and provision of management services. The principal activities of its subsidiaries are set out in Note 14 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

For all periods up to and including the year ended 30 June 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards in Singapore (FRS). These financial statements for the year ended 30 June 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). Refer to Note 2.2 for information on how the Group adopted SFRS(I).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States dollars ("USD" or "US$") and all values in the tables are rounded to the nearest thousand (US$'000), except when otherwise indicated.

2.2 First-time adoption of SFRS(I)

These financial statements for the year ended 30 June 2019 are the first the Group and the Company have prepared in accordance with SFRS(I). Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 30 June 2019, together with the comparative period data for the year ended 30 June 2018, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 July 2017, the Group and the Company's date of transition to SFRS(I).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 First-time adoption of SFRS(I) (continued)

The principal adjustments made by the Group on adoption of SFRS(I) and the adoption of the new standards that are effective on 1 July 2018 are disclosed below.

Exemptions applied on adoption of SFRS(I)

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

- SFRS(I) 3 Business Combinations has not been applied to either acquisitions of subsidiaries that are considered businesses under SFRS(I), or acquisitions of interests in associates and joint ventures that occurred before 1 July 2017. The carrying amounts of assets and liabilities at the date of transition to SFRS(I) is the same as previously reported under FRS.

- SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates has not been applied retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I). Such fair value adjustments and goodwill continue to be accounted for using the same basis as under FRS 21.

- Cumulative translation differences for all foreign operations are deemed to be zero at the date of transition, 1 July 2017. As a result, the Group reclassified US$273,000 of cumulative translation gains from currency translation reserve to accumulated profits as at 1 July 2017.

  After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition. The Group's gain on disposal of a subsidiary as at 30 June 2018 did not have any foreign exchange impact.

- The comparative information does not comply with SFRS(I) 9 Financial Instruments or SFRS(I) 7 Financial Instruments: Disclosures to the extent the disclosures relate to items within the scope of SFRS(I) 9.

New accounting standards effective on 1 July 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 July 2018. Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 9 and SFRS(I) 1-23 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 First-time adoption of SFRS(I) (continued)

SFRS(I) 9 Financial Instruments

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group and the Company have elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained earnings at the date of initial application, 1 July 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

Classification and Measurement

SFRS(I) 9 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

The Group and the Company continue to measure its previously held-for-trading equity securities at fair value through profit or loss ("FVPL").

The Group and the Company have elected to measure its previously held available-for-sale ("AFS") financial assets at fair value through other comprehensive income ("FVOCI"). As a result, cumulative impairment charge of US$4,730,000 and US$2,904,000 previously recognised in profit or loss were reclassified from accumulated profits to FVOCI reserve for the Group and the Company respectively. The Group previously measured its AFS unquoted equity securities at cost. Upon adoption of SFRS(I) 9, the Group measures the unquoted equity securities at FVOCI. The impact arising from this change resulted in an increase in carrying value of US$12,083,000 to the unquoted equity securities with a corresponding adjustment to FVOCI reserve as at 1 July 2018.

Impairment

SRFS(I) 9 requires the Group and the Company to record expected credit losses on all of the financial assets measured at amortised cost or FVOCI and financial guarantees. The Group and the Company previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

The application of SFRS(I) 9, impairment requirements as at 1 July 2018 did not have any material impact on the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 First-time adoption of SFRS(I) (continued)

SFRS(I) 9 Financial Instruments (continued)

The Group and the Company have assessed the business models that are applicable to the financial assets held by the Group and the Company at 1 July 2018 and have classified the financial instruments into the appropriate categories in accordance with SFRS(I) 9. The effects are as follows:

Measurement category	FRS 39 carrying amount on 30 June 2018 US$'000	Re-measurement US$'000	SFRS(I) 9 carrying amount on 1 July 2018 US$'000	Investment revaluation reserve effect on 1 July 2018 US$'000	Accumulated profits effect on 1 July 2018 US$'000	FVOCI reserve effect on 1 July 2018 US$'000
Group						
Available-for-sale financial assets	26,789	–	26,789	–	–	–
Remeasured AFS equity securities carried at cost to fair value	–	12,083	12,083	–	–	12,083
Reclassified impairment losses to FVOCI reserve	–	–	–	–	4,730	(4,730)
Reclassified accumulated fair value changes to FVOCI reserve	–	–	–	280	–	(280)
FVOCI balance, reclassifications and remeasurements at 1 July 2018	26,789	12,083	38,872	280	4,730	7,073
Company						
Available-for-sale financial assets	4,537	–	4,537	–	–	–
Reclassified impairment losses to FVOCI reserve	–	–	–	–	2,904	(2,904)
Reclassified accumulated fair value changes to FVOCI reserve	–	–	–	2	–	(2)
FVOCI balance, reclassifications and remeasurements at 1 July 2018	4,537	–	4,537	2	2,904	(2,906)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 First-time adoption of SFRS(I) (continued)

SFRS(I) 1-23 Borrowing Costs

In March 2019, the IFRS Interpretations Committee (the "IFRSIC") issued an update on the decisions reached by the IFRSIC and concluded its views that borrowing costs relating to development properties that are ready for its intended sale (i.e. ready for launch) should not be capitalised and instead, be expensed when incurred.

Following the update of the agenda decision by IFRSIC, an associate of the Group ceased capitalisation of the borrowing costs relating to its development properties when the properties are ready for its intended sales. Accordingly, the Group's share of the results of the associates was restated.

The Group's statement of comprehensive income was also restated, resulting in a decrease in share of associates' results of US$117,000 on 1 July 2017 and US$184,000 for the year ended 30 June 2018. The Group's balance sheet was restated, resulting in decrease in associates and accumulated profits of US$117,000 as at 1 July 2017, and decrease in associates and accumulated profits of US$301,000 as at 30 June 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 First-time adoption of SFRS(I) (continued)

The following is the reconciliation of the impact arising from first time adoption of SFRS(I) including application of the new accounting standards on 1 July 2017 to the balance sheet of the Group.

	Group			
	1 July 2017 (FRS) US$'000	SFRS(I) 1 adjustments US$'000	SFRS(I) 1-23 adjustments US$'000	1 July 2017 (SFRS(I)) US$'000
Assets				
Non-current assets				
Plant and equipment	8,827	–	–	8,827
Prepaid lease payments	18,580	–	–	18,580
Investment properties	23,816	–	–	23,816
Associates	58,709	–	(117)	58,592
Investment securities	28,964	–	–	28,964
Other receivables	28,871	–	–	28,871
Other assets	261	–	–	261
Deferred tax assets	96	–	–	96
	168,124	–	(117)	168,007
Current assets				
Development properties	66,116	–	–	66,116
Inventories	36,809	–	–	36,809
Trade and other receivables	61,090	–	–	61,090
Tax recoverable	285	–	–	285
Investment securities	11,255	–	–	11,255
Derivative financial instruments	12	–	–	12
Cash and cash equivalents	102,639	–	–	102,639
	278,206	–	–	278,206
Total assets	446,330	–	(117)	446,213
Equity and liabilities				
Current liabilities				
Borrowings	7,720	–	–	7,720
Trade and other payables	114,958	–	–	114,958
Income tax payable	5,429	–	–	5,429
Derivative financial instruments	175	–	–	175
	128,282	–	–	128,282
Non-current liabilities				
Other payables	270	–	–	270
Deferred tax liabilities	1,981	–	–	1,981
	2,251	–	–	2,251
Total liabilities	130,533	–	–	130,533
Equity				
Share capital	150,863	–	–	150,863
Reserves	1,146	(273)	–	873
Accumulated profits	143,392	273	(117)	143,548
Equity attributable to equity holders of the Company	295,401	–	(117)	295,284
Non-controlling interests	20,396	–	–	20,396
Total equity	315,797	–	(117)	315,680
Total equity and liabilities	446,330	–	(117)	446,213

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 First-time adoption of SFRS(I) (continued)

The following is the reconciliation of the impact arising from first time adoption of SFRS(I), including application of the new accounting standards on 30 June 2018 and 1 July 2018 to the balance sheet of the Group.

	Group					
	30 June 2018 (FRS) US$'000	SFRS(I) 1 adjustments US$'000	SFRS(I) 1-23 adjustments US$'000	30 June 2018 (SFRS (I)) US$'000	SFRS(I) 9 adjustments US$'000	1 July 2018 (SFRS(I)) US$'000
Assets						
Non-current assets						
Plant and equipment	10,923	–	–	10,923	–	10,923
Prepaid lease payments	17,734	–	–	17,734	–	17,734
Investment properties	24,196	–	–	24,196	–	24,196
Associates	62,447	–	(301)	62,146	–	62,146
Investment securities	26,789	–	–	26,789	12,083	38,872
Other receivables	62	–	–	62	–	62
Other assets	80	–	–	80	–	80
Deferred tax assets	244	–	–	244	–	244
	142,475	–	(301)	142,174	12,083	154,257
Current assets						
Development properties	25,882	–	–	25,882	–	25,882
Inventories	38,793	–	–	38,793	–	38,793
Trade and other receivables	61,528	–	–	61,528	–	61,528
Tax recoverable	357	–	–	357	–	357
Investment securities	19,663	–	–	19,663	–	19,663
Cash and cash equivalents	116,958	–	–	116,958	–	116,958
	263,181	–	–	263,181	–	263,181
Total assets	405,656	–	(301)	405,355	12,083	417,438
Equity and liabilities						
Current liabilities						
Borrowings	7,633	–	–	7,633	–	7,633
Trade and other payables	81,562	–	–	81,562	–	81,562
Income tax payable	5,230	–	–	5,230	–	5,230
Derivative financial instruments	323	–	–	323	–	323
	94,748	–	–	94,748	–	94,748
Non-current liabilities						
Other payables	461	–	–	461	–	461
Deferred tax liabilities	1,385	–	–	1,385	–	1,385
	1,846	–	–	1,846	–	1,846
Total liabilities	96,594	–	–	96,594	–	96,594
Equity						
Share capital	150,863	–	–	150,863	–	150,863
Reserves	(1,422)	(273)	–	(1,695)	7,353	5,658
Accumulated profits	136,145	273	(301)	136,117	4,730	140,847
Equity attributable to equity holders of the Company	285,586	–	(301)	285,285	12,083	297,368
Non-controlling interests	23,476	–	–	23,476	–	23,476
Total equity	309,062	–	(301)	308,761	12,083	320,844
Total equity and liabilities	405,656	–	(301)	405,355	12,083	417,438

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 First-time adoption of SFRS(I) (continued)

The following is the reconciliation of the impact arising from first time adoption of SFRS(I), including application of the new accounting standards on 1 July 2018 to the balance sheet of the Company. The adoption of SFRS(I) does not have any impact to the balance sheet of the Company as at 1 July 2017.

	Company		
	30 June 2018 (FRS) US$'000	**SFRS(I) 9 adjustments US$'000**	**1 July 2018 (SFRS(I)) US$'000**
Assets			
Non-current assets			
Plant and equipment	320	–	320
Subsidiaries	57,497	–	57,497
Associates	40,143	–	40,143
Investment securities	4,537	–	4,537
	102,497	–	102,497
Current assets			
Trade and other receivables	122	–	122
Amounts due from subsidiaries	53,052	–	53,052
Investment securities	15,650	–	15,650
Cash and cash equivalents	39,060	–	39,060
	107,884	–	107,884
Total assets	210,381	–	210,381
Equity and liabilities			
Current liabilities			
Trade and other payables	3,362	–	3,362
Amounts due to subsidiaries	4,006	–	4,006
Derivative financial instruments	226	–	226
	7,594	–	7,594
Non-current liabilities			
Other payables	28	–	28
Total liabilities	7,622	–	7,622
Equity			
Share capital	150,863	–	150,863
Reserves	(2)	(2,904)	(2,906)
Accumulated profits	51,898	2,904	54,802
Total equity	202,759	–	202,759
Total equity and liabilities	210,381	–	210,381

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 First-time adoption of SFRS(I) (continued)

The following is the reconciliation of the impact arising from first-time adoption of SFRS(I) and application of the new accounting standards to the comprehensive income of the Group for the year ended 30 June 2018.

	Group		
	2018 (FRS) US$'000	SFRS(I) 1-23 adjustments US$'000	2018 (SFRS(I)) US$'000
Continuing operations			
Revenue	56,625	–	56,625
Property development expense	(47,273)	–	(47,273)
Other operating expenses	(248)	–	(248)
Fair value gain on investment properties	157	–	157
Changes in fair value of investment securities	(2,554)	–	(2,554)
Changes in fair value of derivative financial instruments	(160)	–	(160)
Impairment loss on available-for-sale financial assets	(464)	–	(464)
Employee benefits expense	(4,476)	–	(4,476)
Depreciation/amortisation expense	(135)	–	(135)
Other expenses	(1,080)	–	(1,080)
Other losses, net	(718)	–	(718)
Finance costs	(205)	–	(205)
Share of results of associates	134	(184)	(50)
Loss before tax from continuing operations	(397)	(184)	(581)
Income tax expense	(332)	–	(332)
Loss from continuing operations, net of tax	(729)	(184)	(913)
Discontinued operations			
Profit from discontinued operations, net of tax	18,257	–	18,257
Profit for the year	17,528	(184)	17,344
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets:			
Changes in fair value	(1,162)	–	(1,162)
Fair value changes reclassified to profit or loss	352	–	352
Currency translation	(1,884)	–	(1,884)
Share of currency translation reserves of associates	148	–	148
Other comprehensive income for the year, net of tax	(2,546)	–	(2,546)
Total comprehensive income for the year	14,982	(184)	14,798

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 First-time adoption of SFRS(I) (continued)

	Group		
	2018 (FRS) US$'000	**SFRS(I) 1-23 adjustments US$'000**	**2018 (SFRS(I)) US$'000**
Profit/(loss)attributable to:			
Equity holders of the Company			
Continuing operations, net of tax	(729)	(184)	(913)
Discontinued operations, net of tax	14,003	–	14,003
	13,274	(184)	13,090
Non-controlling interests			
Discontinued operations, net of tax	4,254	–	4,254
	17,528	(184)	17,344
Total comprehensive income attributable to:			
Equity holders of the Company			
Continuing operations, net of tax	(3,370)	(184)	(3,554)
Discontinued operations, net of tax	14,076	–	14,076
	10,706	(184)	10,522
Non-controlling interests			
Discontinued operations, net of tax	4,276	–	4,276
	14,982	(184)	14,798
(Loss)/earnings per share (US cents):			
From continuing operations			
Basic	(0.08)		(0.10)
Diluted	(0.08)		(0.10)
From continuing and discontinued operations			
Basic	1.43		1.41
Diluted	1.43		1.41

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Standards issued but not yet effective

The Group has not adopted the following standard that has been issued but not yet effective:

Description	Effective for annual periods beginning on or after
SFRS(I) 16 Leases	1 January 2019
SFRS(I) INT 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
Amendments to illustrative examples, implementation guidance and SFRS(I) practice statements	1 January 2020
Amendments to SFRS(I) 3: *Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*	1 January 2020

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation and business combinations (continued)

(a) Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
– de-recognises the carrying amount of any non-controlling interest;
– de-recognises the cumulative translation differences recorded in equity;
– recognises the fair value of the consideration received;
– recognises the fair value of any investment retained;
– recognises any surplus or deficit in profit or loss;
– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation and business combinations (continued)

(b) **Business combinations and goodwill** (continued)

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to equity holders of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

2.6 Foreign currency

The financial statements are presented in USD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) **Transactions and balances**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under currency translation reserve in equity. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Foreign currency (continued)

(b) **Consolidated financial statements**

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	–	Over the shorter of the estimated useful life of the asset and the lease term
Furniture, fittings, plant and equipment	–	3 to 10 years
Motor vehicles	–	5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, estimated useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.8 Prepaid lease payments

The prepaid lease payments are initially measured at cost. Following initial recognition, prepaid lease payments are measured at cost less accumulated amortisation. The prepaid lease payments are amortised on a straight-line basis over the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses relating to goodwill cannot be reversed in future periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

2.12 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation.

Joint operations

The Group recognises in relation to its interest in a joint operation,

(i) its assets, including its share of any assets held jointly;
(ii) its liabilities, including its share of any liabilities incurred jointly;
(iii) its revenue from the sale of its share of the output arising from the joint operation;
(iv) its share of the revenue from the sale of the output by the joint operation; and
(v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

2.14 Financial instruments

(a) **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Financial instruments (continued)

(a) **Financial assets** (continued)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) *Fair value through other comprehensive income (FVOCI)*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss.

(ii) *Fair value through profit or loss (FVPL)*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Financial instruments (continued)

(a) Financial assets (continued)

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and the sum of the consideration received would be recognised in other comprehensive income and transferred to accumulated profits along with the amounts previously recognised in other comprehensive income relating to that asset.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade and other receivables, and loan receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.16 Club memberships

Club membership was acquired separately and is not amortised as its useful life is infinite. The club membership is tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired. The useful life of club membership is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. The Group also recognised investments in money market funds under cash equivalents, due to their first-class credit rating and investment in extremely short-term money market securities, undergo only minor value fluctuations and can be readily converted into known amounts of cash.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and those production overheads, where applicable, that have been incurred in bringing the inventories to that present location and condition. Direct materials cost is calculated using the moving weighted average method.

Where necessary, allowance is provided for excess, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less all estimated costs of completion and the estimated costs necessary to make the sale.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.15 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.22 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended uses or sales. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.23 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the reporting period.

2.24 Leases

(a) As lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Leases (continued)

(b) **As lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.25.

2.25 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of estimated volume discounts and adjusted for expected returns.

The Group recognises the expected volume discounts payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is contrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

Sale of development properties

The Group develops and sells residential and commercial properties before completion of construction of the properties.

Revenue is recognised when control over the property is transferred and the amount of revenue is measured based on the contracted amount, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Revenue (continued)

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Rendering of services

Revenue is recognised when control over the property has been transferred to the customer over time.

For design and development of new product whereby the Group is restricted contractually from directing for another use as they are being developed and has an enforceable right to payment performance completed to date, revenue is recognised over time, based on the actual costs incurred to date as a proportion of the estimated total costs to be incurred.

Progress billings are typically triggered upon achievement of specific project milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Dividend income

Dividend income from investments is recognised when the Group's right to receive payment is established.

Interest income

Interest income is recognised using the effective interest method.

2.26 Taxes

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Taxes (continued)

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Taxes (continued)

(c) **Goods and Services Tax ("GST") and Value Added Tax ("VAT")**

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

– Where the GST/VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.27 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.28 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheets of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.29 Discontinued operations

A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

(a) **Investment in associate**

As at 30 June 2019, the Group has associates carried at US$38.4 million, which includes an associate, Pacific Star Development Limited ("PSDL") which is carried at US$2.5 million.

The Group previously carried a fair value uplift of US$18.2 million of PSDL's development properties determined as part of the purchase price allocation performed by an independent professional valuer when it acquired PSDL as an associate.

Management exercise judgement in their assessment as to whether there is a need to write down the fair value uplift. These judgements include estimation of the expected selling prices of PSDL's development properties taking into account market demand for such properties.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Fair value measurement of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged independent valuation specialists to determine the fair values as at 30 June 2019. The valuation technique adopted was the Direct Comparison Method. This involves analysing recent sales evidence of similar properties and comparable developments with adjustments made for differences in location, tenure, size, shape, design and layout, age and condition of buildings, availability of car parking lots and loading/unloading bays, dates of transactions and the prevailing market conditions.

The carrying amount of the Group's investment properties at 30 June 2019 was US$55,455,000 (30 June 2018: US$24,196,000, 1 July 2017: US$23,816,000).

(b) Valuation of development properties

The Group carries its development properties at the lower of cost and net realisable value. Management exercise judgement in their assessment as to whether there is a need to write down the development properties so that they are carried at the lower of cost and net realisable value.

These judgements include the estimation of the expected selling prices of development properties taking into account market demand for such properties.

The carrying amount of the Group's development properties at 30 June 2019 was US$15,077,000 (30 June 2018: US$25,882,000, 1 July 2017: US$66,116,000).

(c) Valuation of unquoted equity investments

The Group has investments in unquoted equity instruments amounting to US$20,497,000 as at 30 June 2019. Upon adoption of SFRS(I) 9, the unquoted equity instruments are measured at FVOCI. The fair values of the instruments are determined using valuation models based on an adjusted net assets valuation method. The key assumptions used for valuation of the underlying properties in the investments include expected sale proceeds, cost of replacement and adjustments to reflect the Group's minority stake in the investments. Most of these assumptions could be affected by expected future market and economic conditions such as economic growth, expected inflation rates, demographic developments, and the revenue and margin trend in the property leasing and development sector in the market. Management use independent professional external valuers to determine the fair value of the unquoted equity investments.

4. REVENUE

	Group	
	2019	**2018**
	US$'000	**US$'000**
Sale of development properties	**15,117**	50,931
Rental income from investment properties	**997**	840
Dividend income from:		
– Financial assets at FVOCI	**1,563**	–
– Investment securities at FVPL	**592**	340
– Available-for-sale financial assets	**–**	1,037
Interest income from:		
– Cash deposits at amortised cost	**1,646**	736
– Loan receivable at amortised cost	**384**	384
– Financial assets at FVOCI	**60**	–
– Available-for-sale financial assets	**–**	57
– Loan receivable from associate at amortised cost	**–**	430
(Loss)/gain on disposal of investment securities at FVPL	**(2,166)**	1,850
Others	**93**	20
	18,286	56,625
Revenue from sale of development properties is analysed as follows:		
Primary geographical market		
Australia	**15,117**	50,931
Timing of transfer of goods		
At a point in time	**15,117**	50,931

5. OTHER LOSSES, NET

The following items were credited/(charged) to profit or loss:

	Group	
	2019	**2018**
	US$'000	**US$'000**
Gain on disposal of available-for-sale financial assets	**–**	88
Loss on disposal of plant and equipment	**(26)**	–
Plant and equipment written off	**(99)**	–
Gain on liquidation of a subsidiary	**–**	3
Foreign exchange loss, net	**(1,105)**	(810)
Other income	**2**	1
	(1,228)	(718)

6. LOSS BEFORE TAX

Loss before tax from continuing operations included the following items:

	Group	
	2019 **US$'000**	**2018** **US$'000**
Audit fees:		
– Auditor of the Company	**111**	94
– Other auditors	**17**	20
Non-audit fees:		
– Auditor of the Company	**46**	49
– Other auditors	**8**	7
Employee benefits expense (including directors' remuneration):		
– Salaries, allowances and short term benefits	**10,811**	4,214
– Defined contribution plan	**131**	119

7. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 30 June 2019 and 2018 are:

	Group	
	2019 **US$'000**	**2018** **US$'000**
Current income tax:		
Current income taxation	**697**	820
Over provision in prior years	**(144)**	(2)
	553	818
Deferred income tax (Note 19):		
Origination and reversal of temporary differences	**(155)**	(767)
Under provision in prior years	**114**	18
	(41)	(749)
Withholding tax	**233**	263
Income tax expense attributable to continuing operations	**745**	332
Income tax expense attributable to discontinued operations (Note 8)	**2,940**	4,702
Income tax expense recognised in profit or loss	**3,685**	5,034

7. INCOME TAX EXPENSE (continued)

Reconciliation between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 June 2019 and 2018 is as follows:

	Group	
	2019	**2018**
	US$'000	**US$'000**
Loss before tax from continuing operations	**(26,240)**	(581)
Profit before tax from discontinued operations (Note 8)	**75,944**	22,959
Less: Share of results of associates*	**20,476**	50
	70,180	22,428
Tax at domestic rates applicable to individual group entities	**13,932**	5,996
Adjustments:		
Non-deductible expenses	**10,038**	1,429
Income not subject to tax	**(20,932)**	(2,503)
Benefits from previously unrecognised tax losses	**(290)**	(235)
Effect of partial tax exemption and tax relief	**(130)**	(155)
Deferred tax assets not recognised	**573**	163
Under provision in prior years	**252**	68
Withholding tax on foreign income	**233**	263
Others	**9**	8
Income tax expense recognised in profit or loss	**3,685**	5,034

* These are presented net of tax in profit or loss.

Subject to agreement by the relevant tax authorities, the Group has unutilised tax losses and donations estimated as follows:

	Group	
	2019	**2018**
	US$'000	**US$'000**
Unutilised tax losses	**5,811**	9,749
Unutilised donations	**77**	77
	5,888	9,826
Deferred tax asset not recognised	**1,001**	2,059

These future income tax benefits are available for offset against future taxable income of the companies in which the tax benefits arose, subject to the conditions for deductibility imposed by the tax legislation of their respective countries of incorporation, including the retention of majority shareholders as defined are complied with. Deferred tax asset is not recognised due to uncertainty of its realisation. The tax losses have no expiry date.

8. DISCONTINUED OPERATIONS

Discontinued operations represents the Group's activities in PCI Limited, the electronics manufacturing services business.

On 29 April 2019 (the "disposal date"), the Group completed the sale of its electronics manufacturing services business, 76.70% interest in a subsidiary company, PCI Limited, for a cash consideration of approximately US$149,131,000.

The value of assets and liabilities of PCI Limited recorded in consolidated financial statements as at disposal date and the cash flow effect of the disposal were as follows:

	As at 29 April 2019 US$'000
Plant and equipment (Note 11)	**10,254**
Prepaid lease payments (Note 12)	**17,212**
Other assets (Note 18)	**80**
Deferred tax assets	**105**
Trade and other receivables	**41,633**
Inventories	**41,070**
Cash and cash equivalents	**52,546**
	162,900
Trade and other payables	**(55,948)**
Income tax payable	**(3,036)**
Other creditors	**(205)**
Deferred tax liabilities	**(980)**
Carrying value of net assets	**102,731**
Non-controlling interest	**(23,937)**
Reserves realised to profit or loss	
Currency translation reserve	**(231)**
Capital reserve	**(343)**
Net carrying value of assets disposed	**78,220**
Gain on disposal recognised in profit or loss	**63,981**
Cash consideration, net of expenses	**142,201**
Add: Transaction costs	**3,930**
Add: Provision for indemnity	**3,000**
Cash consideration	**149,131**
Less: Cash transaction costs	**(3,721)**
Less: Cash and cash equivalents of the subsidiary disposed	**(52,546)**
Net cash inflow on disposal	**92,864**
Transfer of fair value reserve of the subsidiary to accumulated profits on disposal	**4**

8. DISCONTINUED OPERATIONS (continued)

The results of the discontinued operations are as follows:

	Group	
	1 July 2018 to 29 April 2019 US$'000	**2018 US$'000**
Revenue	**175,892**	288,673
Expenses	**(163,929)**	(265,714)
Profit from operations	**11,963**	22,959
Gain on disposal of discontinued operations	**63,981**	–
Profit before tax from discontinued operations	**75,944**	22,959
Income tax expense	**(2,940)**	(4,702)
Profit from discontinued operations, net of tax	**73,004**	18,257

The cash flows attributable to the discontinued operations are as follows:

	Group	
	1 July 2018 to 29 April 2019 US$'000	**2018 US$'000**
Operating cash flows	**3,567**	28,055
Investing cash flows	**(1,708)**	(4,900)
Financing cash flows	**(1,675)**	(1,193)
Net cash inflows	**184**	21,962

	Group	
	2019 US$'000	**2018 US$'000**
Earnings per share from discontinued operations attributable to owners of the Company (US cents):		
Basic	**7.64**	1.51
Diluted	**7.64**	1.51

The basic and diluted earnings per share from discontinued operations are calculated by dividing the profit from discontinued operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively. These profit and share data are presented in Note 9.

9. LOSS PER SHARE

The basic and diluted loss per share from continuing operations are calculated by dividing loss from continuing operations, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 30 June:

	Group	
	2019	**2018**
		(restated)
Profit/(loss) attributable to equity holders of the Company (US$'000)		
Continuing operations	**(26,985)**	(913)
Discontinued operations	**70,916**	14,003
	43,931	13,090
Number of shares ('000):		
Weighted average number of ordinary shares	**928,273**	928,273
Loss per share from continuing operations (US cents)	**(2.91)**	(0.10)
Earnings per share from continuing and discontinued operations (US cents)	**4.73**	1.41

Basic earnings per share is the same as diluted earnings per share as the Group does not have any potential dilutive ordinary shares outstanding.

10. DIVIDENDS

	Group and Company	
	2019 US$'000	**2018 US$'000**
Cash dividends on ordinary shares declared and paid:		
Final tax exempt (one-tier) for 2018: 1 SG cent per share (2017: 1 SG cent per share)	**6,789**	6,840
Special tax exempt (one-tier) for 2019: 9 SG cents per share (2017: 2 SG cents per share)	**61,347**	13,681
	68,136	20,521
Proposed but not recognised as a liability as at 30 June:		
Cash dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
Final tax exempt (one-tier) for 2019: 1 SG cent per share (2018: 1 SG cent per share)	**6,864**	6,806

11. PLANT AND EQUIPMENT

Group	Leasehold improvements US$'000	Furniture, fittings, plant and equipment US$'000	Motor vehicles US$'000	Total US$'000
Cost				
At 1 July 2017	5,426	28,630	1,097	35,153
Additions	305	4,242	402	4,949
Disposals	(318)	(1,334)	(57)	(1,709)
Transfer	202	(202)	–	–
Exchange differences	(91)	65	(6)	(32)
At 30 June 2018 and 1 July 2019	5,524	31,401	1,436	38,361
Additions	–	2,257	636	2,893
Disposals	–	(1,140)	(341)	(1,481)
Write off	(305)	(14)	–	(319)
Exchange differences	(32)	(68)	(4)	(104)
Disposal of subsidiaries	(5,187)	(32,306)	(1,121)	(38,614)
At 30 June 2019	–	130	606	736
Accumulated depreciation				
At 1 July 2017	1,242	24,495	589	26,326
Depreciation for the year	627	1,958	224	2,809
Disposals	(318)	(1,334)	(57)	(1,709)
Write off	(14)	14	–	–
Exchange differences	(17)	30	(1)	12
At 30 June 2018 and 1 July 2018	1,520	25,163	755	27,438
Depreciation for the year	526	1,906	215	2,647
Disposals	–	(1,039)	(284)	(1,323)
Write off	(207)	(13)	–	(220)
Exchange differences	(11)	(39)	(5)	(55)
Disposal of subsidiaries	(1,828)	(25,877)	(655)	(28,360)
At 30 June 2019	–	101	26	127
Net carrying amount				
At 1 July 2017	4,184	4,135	508	8,827
At 30 June 2018	4,004	6,238	681	10,923
At 30 June 2019	–	29	580	609

11. PLANT AND EQUIPMENT (continued)

Company	Leasehold improvements US$'000	Furniture, fittings, plant and equipment US$'000	Motor vehicles US$'000	Total US$'000
Cost				
At 1 July 2017	305	342	–	647
Additions	–	11	–	11
Disposals	–	(5)	–	(5)
At 30 June 2018 and 1 July 2018	305	348	–	653
Additions	–	10	606	616
Disposals	–	(214)	–	(214)
Write off	(305)	(14)	–	(319)
At 30 June 2019	–	130	606	736
Accumulated depreciation				
At 1 July 2017	94	109	–	203
Depreciation for the year	67	68	–	135
Disposals	–	(5)	–	(5)
At 30 June 2018 and 1 July 2018	161	172	–	333
Depreciation for the year	46	56	26	128
Disposals	–	(114)	–	(114)
Write off	(207)	(13)	–	(220)
At 30 June 2019	–	101	26	127
Net carrying amount				
At 1 July 2017	211	233	–	444
At 30 June 2018	144	176	–	320
At 30 June 2019	–	29	580	609

Commitments

As at 30 June 2019, the capital expenditure contracted for but not recognised in the financial statements is nil (30 June 2018: nil, 1 July 2017: US$2,455,000).

Assets held under finance leases

During the financial year, the Group and the Company acquired motor vehicles with cost of US$74,000 (2018: nil) by means of finance leases. The Group's cash outflow on acquisition of plant and equipment amounted to US$2,893,000 (2018: nil).

As at 30 June 2019, the carrying amount of motor vehicles under finance leases was US$70,000 (30 June 2018 and 1 July 2017: nil).

Leased assets are pledged as security for the related finance lease liabilities.

12. PREPAID LEASE PAYMENTS

	Group		
	30 June		1 July
	2019	2018	2017
	US$'000	US$'000	US$'000
Cost			
At 1 July	**19,767**	19,976	20,018
Exchange differences	**–**	(209)	(42)
Disposal of subsidiaries	**(19,767)**	–	–
At 30 June	**–**	19,767	19,976
Accumulated amortisation			
At 1 July	**2,033**	1,396	714
Amortisation for the year	**528**	677	685
Exchange differences	**(6)**	(40)	(3)
Disposal of subsidiaries	**(2,555)**	–	–
At 30 June	**–**	2,033	1,396
Net carrying amount			
At 30 June	**–**	17,734	18,580

Details of properties relating to prepaid lease payments as at 30 June 2018 and 1 July 2017 are as follows:

Description	Lease term	Date of acquisition	Location	Area (square metres)
Leasehold land and building	60 years from 1 May 1993	Acquired in 2015 at cost of US$17,002,000	35 Pioneer Road North Singapore 628475	7,689
Leasehold land and building	30 years from 24 November 1998	Acquired in 2015 at cost of US$2,975,000	Kawansan Industry Panbil C1, Lot 2-3 Muka Kuning, Batam, Indonesia	16,402

13. INVESTMENT PROPERTIES

	Group		
	30 June		1 July
	2019	2018	2017
	US$'000	US$'000	US$'000
Balance sheet			
At 1 July	**24,196**	23,816	24,301
Additions	**32,020**	–	–
Fair value (loss)/gain recognised in profit or loss	**(1,009)**	157	–
Exchange differences	**248**	223	(485)
At 30 June	**55,455**	24,196	23,816
Statement of comprehensive income			
Rental income from investment properties:			
Minimum lease payments	**997**	840	
Direct operating expenses (including repairs and maintenance) arising from:			
Rental generating properties	**226**	248	

Valuation of investment properties

Investment properties are measured at fair value which has been determined based on valuation performed as at 30 June 2019, 30 June 2018 and 1 July 2017. The valuations were performed by accredited independent valuers with recent experience in the location and category of the properties being valued. The valuation technique adopted was the Direct Comparison Method. This involved the analysis of recent sales evidence of similar properties and comparable developments with adjustments made for differences in location, tenure, size, shape, design and layout, age and condition of buildings, availability of car parking lots and loading/unloading bays, dates of transactions and the prevailing market conditions.

The Group has no restriction on the realisability of its investment properties.

The investment properties held by the Group as at 30 June 2019 are as follows:

Description of properties	Existing use	Tenure	Unexpired lease term	Area (square metres)
Office floors 20th to 22nd located in GB Building, 143 Cecil Street, Singapore 069542	Offices	Leasehold	62 years	1,492
Office floor 24th located in The Central, 8 Eu Tong Sen Street, Singapore 059818	Offices	Leasehold	80 years	1,239

14. SUBSIDIARIES

	Company 30 June 2019 US$'000	Company 30 June 2018 US$'000	Company 1 July 2017 US$'000
Shares, at cost			
Opening balance	**33,647**	79,859	79,859
Impairment losses	**(6,990)**	(22,362)	(22,362)
Net carrying amount	**26,657**	57,497	57,497

The Company reversed certain impairment losses previously recognised in accordance with the increase in the estimated recoverable amount of subsidiaries.

(a) Composition of the Group

The Group has the following investments in subsidiaries.

Name	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group 30 June 2019 %	30 June 2018 %	1 July 2017 %
Held by the Company:					
Beauford Investments Pte Ltd[(1)]	Singapore	Investment trading	**100**	100	100
ProVest Global Pte. Ltd.[(1)]	Singapore	Investment holding	**100**	100	100
ProVest Holdings Pte. Ltd.[(1)]	Singapore	Property investment	**100**	100	100
ProVest Realty Pte. Ltd.[(1)]	Singapore	Property investment	**100**	100	100
ProVest Transworld Limited.[(1)]	Singapore	Dormant	**–**	–	99.7
CH Biovest Pte. Limited[(1)]	Singapore	Investment holding and trading	**100**	100	100
Ventrade (Asia) Pte. Ltd.[(1)]	Singapore	Investment holding and trading	**100**	100	100
PCI Limited[(1)(10)]	Singapore	Investment holding and provision of electronics manufacturing services	**–**	76.7	76.7
Held through subsidiaries:					
Held by Ventrade (Asia) Pte. Ltd.					
Ventrade Australia Pty Ltd[(2)]	Australia	Property development	**100**	100	100
Held by Ventrade Australia Pty Ltd					
Ventrade Maylands Pty Ltd[(3)]	Australia	Property development	**100**	100	100

14. SUBSIDIARIES (continued)

(a) Composition of the Group (continued)

Name	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group 30 June 2019 %	30 June 2018 %	1 July 2017 %
Held through subsidiaries:					
Held by PCI Limited					
Printed Circuits International Incorporated(9)(10)	United States of America	Investment holding and provision of support on electronics manufacturing services	–	76.7	76.7
PT. Prima Circuitama Indonesia(5)(11)	Indonesia	Dormant	–	70.9	70.9
PT. PCI Elektronik Internasional(5)(10)	Indonesia	Provision of electronics manufacturing services	–	76.7	76.7
Pacific Gain Holding Limited(9)(10)	British Virgin Islands	Investment holding	–	76.7	76.7
PCI Technology Enabler Pte.Ltd.(1)(10)	Singapore	Provision of research and development services	–	76.7	–
PCI China Private Limited(1)(10)	Singapore	Investment holding	–	76.7	76.7
Quijul Pte Ltd(1)(10)	Singapore	Rental of property	–	76.7	76.7
Held by Printed Circuits International Incorporated					
Printed Circuits International Private Limited(1)(10)	Singapore	Rendering of estate management services	–	76.7	76.7
PCI Displays Pte. Ltd.(1)(10)	Singapore	Provision of electronics manufacturing and information technology services	–	76.7	76.7
Held by Pacific Gain Holding Limited					
Polymicro Corporation (Singapore) Pte Ltd(1)(8)(11)	Singapore	Dormant	–	76.7	76.7
Polymicro Precision Technology (Thailand) Co. Ltd(6)(11)	Thailand	Dormant	–	76.7	76.7
Technology Enabler Designers Phils. Inc.(4)(10)	Philippines	Provision of research and development services	–	76.7	76.7
Held by PCI China Private Limited					
PCI Shanghai Electronics Co., Ltd(7)(10)	China	Provision of electronics manufacturing services	–	76.7	76.7
PCI Kunshan Electronics Co., Ltd(7)(10)	China	Provision of electronics manufacturing services	–	76.7	76.7
Held by Quijul Pte Ltd					
Quijul Logistics Pte. Ltd.(1)(10)	Singapore	Value added logistics provider and general warehousing	–	76.7	76.7

14. SUBSIDIARIES (continued)

(a) Composition of the Group (continued)

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by KPMG, Perth, Australia.

(3) Audited by KPMG, Perth, Australia for the purpose of group consolidation.

(4) Audited by member firm of Ernst & Young Global in Philippines (SGV & CO).

(5) Audited by Drs Bernardi & Co. Registered Public Accountants, Jakarta, Indonesia.

(6) Audited by V.A.T. Accounting, Bangkok, Thailand.

(7) Audited by Shanghai Linfang Certified Public Accountants, Co. Ltd, Shanghai, China.

(8) The investment represents 6.1% equity interests held through PCI Limited. The remaining 70.6% equity interests are held through Pacific Gain Holding Limited, a subsidiary of PCI Limited.

(9) Not required to be audited under the law in the country of incorporation.

(10) Disposed on 29 April 2019.

(11) Disposed on 29 March 2019.

(b) Interest in subsidiary with material non-controlling interests (NCI)

The Group has the following subsidiary PCI Limited, that has NCI that is material to the Group. The subsidiary was disposed of during the financial year.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI %	Profit allocated to NCI during the reporting period US$'000	Accumulated NCI at the end of reporting period US$'000	Dividends paid to NCI US$'000
1 July 2018 to 29 April 2019					
PCI Limited	Singapore	–	2,088	–	1,675
30 June 2018					
PCI Limited	Singapore	23.3	4,254	23,476	1,193
1 July 2017					
PCI Limited	Singapore	23.3	2,506	20,393	1,834

14. SUBSIDIARIES (continued)

(c) Summarised financial information about subsidiary with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

	PCI Limited		
	30 June		1 July
	2019	2018	2017
	US$'000	US$'000	US$'000
Summarised balance sheet			
Current			
Assets	–	137,996	120,035
Liabilities	–	(65,007)	(59,027)
Net current assets	–	72,989	61,008
Non-current			
Assets	–	28,522	27,320
Liabilities	–	(991)	(963)
Net non-current assets	–	27,531	26,357
Net assets	–	100,520	87,365

	1 July 2018 to 29 April 2019	2018
	US$'000	US$'000
Summarised statement of comprehensive income		
Revenue	175,922	288,673
Profit before tax	12,132	22,883
Income tax expense	(2,940)	(4,702)
Profit after tax	9,192	18,181
Other comprehensive income	583	95
Total comprehensive income	9,775	18,276
Other summarised information		
Net cash flows from operations	3,567	28,055

15. ASSOCIATES

	Group			Company		
	30 June		1 July	30 June		1 July
	2019	2018	2017	2019	2018	2017
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
		(restated)	(restated)			
Quoted shares, at cost	**67,881**	67,284	60,541	**40,740**	40,143	33,400
Share of post-acquisition reserves	**(21,223)**	(986)	(1,084)	**–**	–	–
Impairment	**–**	–	–	**(2,227)**	–	–
Dividends received	**(7,978)**	(5,560)	(3,370)	**–**	–	–
Exchange adjustment	**(330)**	1,408	2,505	**–**	–	–
	38,350	62,146	58,592	**38,513**	40,143	33,400
Fair value of investments based on published price quotation	**51,292**	66,081	56,761	**32,923**	38,758	27,762

Name	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group 30 June 2019 %	30 June 2018 %	1 July 2017 %
Held by the Company:					
Finbar Group Limited[1]	Australia	Property development and investment	**20.5**	20.3	19.7
Held through subsidiary:					
Held by CH Biovest Pte. Limited					
Pacific Star Development Limited[2]	Singapore	Property development	**35.5**	35.5	35.5

(1) Audited by KPMG, Perth, Australia.

(2) Audited by Ernst & Young LLP, Singapore.

15. ASSOCIATES (continued)

The summarised financial information of the associates based on their financial statements and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

Summarised balance sheet

	Finbar Group Limited			Pacific Star Development Limited		
	30 June		1 July	30 June		1 July
	2019	2018	2017	2019	2018	2017
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
					(restated)	(restated)
Current assets	**138,117**	136,207	154,377	**129,411**	140,640	119,357
Non-current assets	**127,406**	131,913	165,521	**38**	138	1,916
Total assets	**265,523**	268,120	319,898	**129,449**	140,778	121,273
Current liabilities	**55,454**	39,247	144,335	**37,350**	76,177	60,396
Non-current liabilities	**35,762**	42,573	9,378	**85,198**	31,727	41,825
Total liabilities	**91,216**	81,820	153,713	**122,548**	107,904	102,221
Net assets	**174,307**	186,300	166,185	**6,901**	32,874	19,052
Non-controlling interests	**–**	–	(78)	**–**	(18,740)	(8,724)
	174,307	186,300	166,107	**6,901**	14,134	10,328
Proportion of the Group's ownership	**20.5%**	20.3%	19.7%	**35.5%**	35.5%	35.5%
Group's share of net assets	**35,785**	37,800	32,657	**2,451**	5,020	3,669
Other adjustments	**114**	139	(122)	**–**	19,187[1]	22,388[1]
Carrying amount of the investments	**35,899**	37,939	32,535	**2,451**	24,207	26,057

Summarised statement of comprehensive income

	Finbar Group Limited		Pacific Star Development Limited	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018[2]
	US$'000	US$'000	US$'000	US$'000
				(restated)
Revenue	**111,098**	116,653	**3,312**	89,391
Profit/(loss) after tax	**8,178**	10,785	**(18,486)**	16,747
Other comprehensive income	**(11)**	(136)	**525**	716
Total comprehensive income	**8,167**	10,649	**(17,961)**	17,463
Dividends received from the associate during the financial year	**2,418**	2,190	**–**	–

(1) Other adjustments mainly relate to the fair value uplift of a development property determined as part of the purchase price allocation performed on 15 February 2017, by an independent professional valuer.

(2) The results disclosed relate to the 18-month period, from 1 January 2017 to 30 June 2018.

16. JOINT OPERATIONS

Name	Country of operation	Principal activities	Effective interest held by the Group 30 June 2019 %	30 June 2018 %	1 July 2017 %
Held through subsidiaries:					
Held by Ventrade Australia Pty Ltd					
187 Adelaide Terrace	Australia	Property development	**50**	50	50
Held by Ventrade Maylands Pty Ltd					
241 Railway Parade	Australia	Property development	**50**	50	50

17. INVESTMENT SECURITIES

	Group			Company		
	30 June		1 July	30 June		1 July
	2019 US$'000	2018 US$'000	2017 US$'000	2019 US$'000	2018 US$'000	2017 US$'000
Current						
At fair value through profit or loss:						
Quoted equity securities	**16,375**	19,663	11,255	**16,375**	15,650	8,920
Non-current						
Available-for-sale financial assets:						
Quoted equity securities	**–**	652	1,125	**–**	–	315
Quoted bond investments	**–**	1,336	1,132	**–**	213	–
Unquoted fund investments	**–**	15,211	16,028	**–**	3,547	4,008
Unquoted equity securities, at cost[(i)]	**–**	9,590	10,679	**–**	777	1,096
	–	26,789	28,964	**–**	4,537	5,419
At fair value through other comprehensive income:						
Quoted equity securities	**738**	–	–	**–**	–	–
Quoted bond investments	**225**	–	–	**225**	–	–
Unquoted equity securities[(i)(ii)]	**20,497**	–	–	**361**	–	–
	21,460	–	–	**586**	–	–
	21,460	26,789	28,964	**586**	4,537	5,419

(i) The unquoted equity securities, include investments in certain companies where the Group has more than 20% effective equity interests. However, it has been determined that the Group does not have significant influence in these companies as defined by SFRS(I) 1-28 "Investments in Associates and Joint Ventures" due to no representation on the board of the investees, non-participation in the policy-making processes including dividends or other distributions, non-existence of material transactions between the Group and the investees, no interchange of managerial personnel and no provision of essential technical information to the investees during the financial year.

(ii) The unquoted equity securities consist principally of shares in companies engaged in property development and property investment activities.

17. INVESTMENT SECURITIES (continued)

During the year, the Group disposed of its investments in unquoted fund investments, unquoted equity securities and quoted bond investments. The carrying value at the date of derecognition amounted to US$15,893,000. The cumulative loss arising from the disposals amounted to US$2,396,000 and were transferred from FVOCI reserve to accumulated profits. The Group recognised a dividend of US$348,000 from unquoted fund investments prior to the disposal during the year.

The Group's investment securities amounting to US$14,299,000 and US$15,023,000 were pledged as security for bank loans (Note 26) and other bank facilities as at 30 June 2018 and 1 July 2017 respectively. The security was discharged during the financial year ended 30 June 2019.

Impairment loss on available-for-sale financial assets

During the financial year ended 30 June 2018, the Group and the Company recognised the following impairment losses on available-for-sale financial assets:

– Impairment loss of US$205,000 and US$113,000 for the quoted and unquoted equity securities respectively as there were "significant" or "prolonged" decline in the fair value of these investments below their costs. The Group and the Company treat "significant" generally as 30% and "prolonged" as greater than 12 months.

– Impairment loss of US$146,000 for an unquoted fund investment carried at fair value, reflecting the write-down in the carrying value because there was indication that its carrying amount was not recoverable by reference to the latest available financial information.

18. OTHER ASSETS

	Group		
	30 June		1 July
	2019	2018	2017
	US$'000	US$'000	US$'000
Club memberships, at cost			
Balance at beginning of the year	**80**	315	315
Additions	**–**	15	–
Disposals	**–**	(250)	–
Disposal of subsidiaries	**(80)**	–	–
Balance at end of the year	**–**	80	315
Accumulated impairment loss			
Balance at beginning of the year	**–**	54	78
Write-back of impairment loss	**–**	–	(24)
Disposals	**–**	(54)	–
Balance at end of the year	**–**	–	54
Net carrying amount	**–**	80	261

Fair value of club memberships was US$120,000 as at 30 June 2018 and US$299,000 as at 1 July 2017.

19. DEFERRED TAX

Deferred tax as at 30 June relates to the following:

	Group				
	Balance sheet			Statement of comprehensive income	
	30 June		1 July		
	2019	2018	2017	2019	2018
	US$'000	US$'000	US$'000	US$'000	US$'000
Deferred tax assets:					
Provision	**–**	105	92	**–**	–
Unutilised tax losses	**–**	–	4	**–**	–
Fair value changes on investment securities	**–**	139	–	**139**	(139)
	–	244	96		
Deferred tax liabilities:					
Differences in development properties	**(165)**	(310)	(898)	**(134)**	(581)
Differences in depreciation	**–**	(786)	(765)	**–**	–
Differences in recognition of rental income	**(11)**	(16)	(2)	**(5)**	14
Unremitted foreign interest income	**(7)**	(273)	(316)	**(267)**	(43)
Difference in recognition of interest income	**(226)**	–	–	**226**	–
	(409)	(1,385)	(1,981)		
Deferred tax benefit (Note 7)				**(41)**	(749)

20. DEVELOPMENT PROPERTIES

	Group		
	30 June		1 July
	2019	2018	2017
	US$'000	US$'000	US$'000
Completed properties	**8,894**	19,370	59,349
Properties under development	**6,183**	6,512	6,767
	15,077	25,882	66,116

20. DEVELOPMENT PROPERTIES (continued)

Details of the Group's development properties as at 30 June 2019 are as follows:

Description of properties	Tenure of land	Stage of completion (expected year of completion)	Site area/gross floor area (square metres)	Effective interest in properties %
Concerto A 38-storey residential development comprising 226 apartments and 1 commercial unit on Adelaide Terrace, East Perth, Western Australia	Freehold	Completed in FY2017	6,303/35,960	100
One Kennedy A 3-storey residential development comprising 120 apartments and 3 commercial units on Kennedy Street, Maylands, Western Australia	Freehold	FY2020	8,966/8,567	100

Commitments

As at 30 June 2019, the Group has US$9,257,000 (30 June 2018 and 1 July 2017: nil) capital commitments in relation to development properties contracted for but not recognised in the financial statements.

21. INVENTORIES

	Group		
	30 June		1 July
	2019	2018	2017
	US$'000	US$'000	US$'000
Balance sheet			
Raw materials	–	26,832	27,254
Work-in-progress	–	1,939	1,740
Finished goods	–	10,022	7,815
	–	38,793	36,809
Statement of comprehensive income			
Profit or loss includes the following charge:			
Inventories written down	–	641	

22. TRADE AND OTHER RECEIVABLES

	Group			Company		
	30 June		1 July	30 June		1 July
	2019	2018	2017	2019	2018	2017
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Trade and other receivables (current)						
Trade receivables	**15**	39,335	39,543	**15**	18	–
Trade receivables – associate	**4,114**	11,777	17,132	**–**	–	–
Loan receivable	**8,734**	8,349	–	**–**	–	–
GST/VAT recoverable	**2,365**	826	528	**195**	–	–
Deposits	**13**	228	693	**11**	39	22
Prepayments	**49**	814	2,999	**9**	19	12
Others	**380**	199	195	**101**	46	8
	15,670	61,528	61,090	**331**	122	42
Other receivables (non-current)						
Loan receivable from associate	**–**	–	20,860	**–**	–	–
Loan receivable	**–**	–	7,966	**–**	–	–
Others	**–**	62	45	**–**	–	–
	–	62	28,871	**–**	–	–
Total trade and other receivables	**15,670**	61,590	89,961	**331**	122	42
Add: Cash and cash equivalents (Note 25)	**124,641**	116,958	102,639	**27,791**	39,060	32,083
Add: Amounts due from subsidiaries (Note 23)	**–**	–	–	**164,083**	53,052	88,988
Less: GST/VAT recoverable	**(2,365)**	(826)	(528)	**(195)**	–	–
Less: Prepayments	**(49)**	(814)	(2,999)	**(9)**	(19)	(12)
Total financial assets at amortised cost	**137,897**	176,908	189,073	**192,001**	92,215	121,101

Trade receivables

Trade receivables are non-interest bearing and credit terms generally range from 30 to 60 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loan receivable

Loan receivable is non-trade related, interest bearing at 5% per annum, the loan was extended by one year and is repayable on 2 October 2019 and is to be settled in cash.

Loan receivable from associate (non-current)

The non-current loan receivable from associate was unsecured and for the purpose of the Group's property development project with the associate. The amount was interest bearing at 6% per annum and fully repaid in the previous financial year.

22. TRADE AND OTHER RECEIVABLES (continued)

Receivables that are past due but not impaired

There were no trade receivables that are past due at the end of the reporting period. The analysis of their ageing at the end of the reporting period is as follows:

	Group		
	30 June		1 July
	2019	2018	2017
	US$'000	US$'000	US$'000
Past due and not impaired:			
Less than 3 months	–	4,212	3,625
3 months or more	–	483	–
	–	4,695	3,625

Expected credit losses

There is no allowance for expected credit losses on the trade receivables.

23. AMOUNTS DUE FROM SUBSIDIARIES

	Company		
	30 June		1 July
	2019	2018	2017
	US$'000	US$'000	US$'000
Amounts due from subsidiaries	**190,180**	58,552	94,488
Allowance for impairment	**(26,097)**	(5,500)	(5,500)
	164,083	53,052	88,988

During the year, the Company recognised an impairment loss of US$23,097,000 (30 June 2018 and 1 July 2017: nil) in relation to an expected uncollectible amount due from subsidiary.

The Company recorded a write-back of impairment of US$2,500,000 (30 June 2018 and 1 July 2017: nil) during the financial year as the Company assessed that there is reasonable expectation of recovering the contractual cash flows.

Amounts due from subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

24. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			Company		
	Contract/ notional amount US$'000	**Assets US$'000**	**Liabilities US$'000**	**Contract/ notional amount US$'000**	**Assets US$'000**	**Liabilities US$'000**
30 June 2019						
Commodity forward contract	**726**	**900**	**–**	**–**	**–**	**–**
30 June 2018						
Equity related derivative contracts	6,952	–	(323)	6,711	–	(226)
1 July 2017						
Equity related derivative contracts	17,307	12	(175)	10,624	–	(95)

These derivative contracts may be terminated earlier than the maturity dates upon the occurrence of the knock-out event as stipulated in the contracts. The maturity date of the commodity forward contract is 13 September 2019.

As at 30 June 2018 and 1 July 2017, certain derivative contracts were pledged as security for bank loans (Note 26) and other bank facilities.

25. CASH AND CASH EQUIVALENTS

	Group			Company		
	30 June		**1 July**	**30 June**		**1 July**
	2019 US$'000	**2018 US$'000**	**2017 US$'000**	**2019 US$'000**	**2018 US$'000**	**2017 US$'000**
Cash at banks	**10,664**	37,292	55,868	**8,040**	9,194	17,428
Short-term deposits	**113,977**	79,666	46,771	**19,751**	29,866	14,655
	124,641	116,958	102,639	**27,791**	39,060	32,083

Investments in money market funds of US$7,181,000 (30 June 2018: US$6,874,000, 1 July 2017: US$27,886,000) and US$7,162,000 (30 June 2018: US$5,718,000, 1 July 2017: US$10,986,000) are recognised under cash at banks of the Group and the Company respectively as cash equivalents, due to their first-class rating and investment in extremely short-term money market securities, undergo only minor value fluctuations and can be readily converted into known amounts of cash.

Short-term deposits are placed for varying periods of three months or less, depending on the immediate cash requirements of the Group and the Company. The weighted average effective interest rates as at 30 June 2019 for the Group and the Company were 2.68% (30 June 2018: 2.16%, 1 July 2017: 1.02%) and 1.66% (30 June 2018: 2.18%, 1 July 2017: 1.02%) per annum, respectively.

The Group's cash and cash equivalents of US$1,751,000 as at 30 June 2018 and US$26,494,000 as at 1 July 2017 were pledged as security for bank loans (Note 26) and other bank facilities.

26. BORROWINGS

	Group			Company		
	30 June		1 July	30 June		1 July
	2019	2018	2017	2019	2018	2017
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Current						
Bank loans	**–**	7,633	7,720	**–**	–	–
Obligation under finance leases	**49**	–	–	**49**	–	–
	49	7,633	7,720	**49**	–	–

The bank loans of US$7,633,000 as at 30 June 2018 were fully repaid during the financial year. The bank loans were drawn by a subsidiary and were previously secured on the borrowing subsidiary's cash and cash equivalents (Note 25), investment securities (Note 17) and derivative financial instruments (Note 24). Interest rates ranged from 3.37% to 3.83% (30 June 2018: 2.26% to 3.39%, 1 July 2017: 1.60% to 2.26%) per annum.

A reconciliation of liabilities arising from financing activities is as follows:

	30 June 2018 US$'000	Cash flows US$'000	Non-cash changes – exchange movement US$'000	30 June 2019 US$'000
Bank loans	7,633	(7,338)	(295)	**–**
Obligation under finance leases	–	50	(1)	**49**
	7,633	(7,288)	(296)	**49**

	1 July 2017 US$'000	Cash flows US$'000	30 June 2018 US$'000
Bank loans	7,720	(87)	7,633

27. TRADE AND OTHER PAYABLES

	Group			Company		
	30 June		1 July	30 June		1 July
	2019	2018	2017	2019	2018	2017
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Trade and other payables (current)						
Trade payables	**8**	44,266	41,139	**–**	–	–
Accrued property development expenditure and operating expenses	**14,460**	31,653	67,934	**6,400**	2,830	2,895
Provisions	**3,000**	5,002	3,971	**3,000**	–	–
Other payables	**869**	641	1,914	**514**	532	481
	18,337	81,562	114,958	**9,914**	3,362	3,376
Other payables (non-current)						
Provision	**–**	205	198	**–**	–	–
Other payables	**157**	256	72	**–**	28	–
	157	461	270	**–**	28	–
Total trade and other payables	**18,494**	82,023	115,228	**9,914**	3,390	3,376
Add: Borrowings (Note 26)	**49**	7,633	7,720	**49**	–	–
Add: Amounts due to subsidiaries (Note 28)	**–**	–	–	**44,175**	4,006	1,694
Less: Provisions and accrued operating expenses	**(3,901)**	(5,186)	(9,260)	**(3,380)**	(124)	(121)
Total financial liabilities at amortised cost	**14,642**	84,470	113,688	**50,758**	7,272	4,949

These amounts are non-interest bearing. Trade payables are normally on credit terms of 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

The following table shows the movement of provisions for the financial years ended 30 June 2019 and 2018:

Group	Excess purchase order US$'000	Staff retrenchment US$'000	Staff benefits US$'000	Provision for indemnity US$'000	Total US$'000
At 1 July 2017	3,321	524	126	–	3,971
Additions	952	284	79	–	1,315
Utilisation	(211)	(26)	(47)	–	(284)
Exchange differences	5	12	(17)	–	–
At 30 June 2018	4,067	794	141	–	5,002
Additions	–	111	100	3,000	3,211
Utilisation	–	(103)	(13)	–	(116)
Exchange differences	(2)	(13)	25	–	10
Disposal of subsidiaries	(4,065)	(789)	(253)	–	(5,107)
At 30 June 2019	–	–	–	3,000	3,000

27. TRADE AND OTHER PAYABLES (continued)

Company	Excess purchase order US$'000	Staff retrenchment US$'000	Staff benefits US$'000	Provision for indemnity US$'000	Total US$'000
2019					
At 1 July 2018	–	–	–	–	–
Additions	–	–	–	3,000	3,000
At 30 June 2019	–	–	–	3,000	3,000

Provision for indemnity

As part of the disposal of the Company's entire interest in its subsidiary, PCI Limited (Note 8), the Company has agreed to indemnify the purchaser and one of the subsidiaries of the PCI Limited group for up to US$3,000,000 for losses that may be incurred in respect of certain claims that may be commenced against the PCI Limited group's subsidiary. The foregoing indemnity will cover losses that may be notified to the Company within three years from 29 April 2019.

28. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

29. SHARE CAPITAL

	Group and Company			
	2019		2018	
	No. of shares '000	US$'000	No. of shares '000	US$'000
Issued and fully paid ordinary shares:				
At 1 July and 30 June	**928,273**	**150,863**	928,273	150,863

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

30. RESERVES

(a) Currency translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of operations whose functional currencies are different from that of the Group's presentation currency.

30. RESERVES (continued)

(b) Investment revaluation reserve

Investment revaluation reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

(c) FVOCI reserve

FVOCI reserve represents the cumulative fair value changes, net of tax, of FVOCI financial assets until they are disposed of or derecognised.

(d) Capital reserve

Capital reserve arose as a result of changes in the ownership interests of the Company's subsidiaries that did not result in a loss of control and were accounted for as equity transactions.

31. RELATED PARTY TRANSACTIONS

(a) In addition to related party information disclosed elsewhere in the financial statements, significant transactions (continuing and discontinued operations) with related parties on terms agreed between the parties are as follows:

	Group	
	2019 US$'000	**2018 US$'000**
Transactions with key management personnel and related company:		
Engineering support services rendered by related company	**59**	501
Consultancy services rendered by director	**179**	118
Transactions with associate:		
Interest income	**–**	430
Property development expenses	**14,910**	41,877
Sale of development properties	**3,263**	–

(b) The remuneration of key management personnel of continuing and discontinued operations are as follows:

	Group	
	2019 US$'000	**2018 US$'000**
Salaries, allowances and short term benefits	**12,171**	7,500
Defined contribution plan	**133**	151
	12,304	7,651

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

32. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	Quoted prices in active markets for identical instruments (Level 1) US$'000	Significant observable inputs other than quoted prices (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
30 June 2019				
Financial assets				
Financial assets at FVPL (Note 17)				
Quoted equity securities	16,375	–	–	16,375
Financial assets at FVOCI (Note 17)				
Quoted equity securities	738	–	–	738
Quoted bond investments	225	–	–	225
Unquoted equity securities	–	–	20,497	20,497
Derivative financial instruments (Note 24)				
Commodity forward contract	–	900	–	900
	17,338	900	20,497	38,735
Non-financial assets				
Investment properties (Note 13)				
Commercial properties	–	55,455	–	55,455

32. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Assets and liabilities measured at fair value (continued)

Group	Quoted prices in active markets for identical instruments (Level 1) US$'000	Significant observable inputs other than quoted prices (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
30 June 2018				
Financial assets				
Held-for-trading investments (Note 17)				
Quoted equity securities	19,663	–	–	19,663
Available-for-sale financial assets (Note 17)				
Quoted equity securities	652	–	–	652
Quoted bond investments	1,336	–	–	1,336
Unquoted fund investments	–	15,211	–	15,211
	21,651	15,211	–	36,862
Non-financial assets				
Investment properties (Note 13)				
Commercial properties	–	24,196	–	24,196
Financial liabilities				
Derivative financial instruments (Note 24)				
Equity related derivative contracts	–	323	–	323
1 July 2017				
Financial assets				
Held-for-trading investments (Note 17)				
Quoted equity securities	11,255	–	–	11,255
Available-for-sale financial assets (Note 17)				
Quoted equity securities	1,125	–	–	1,125
Quoted bond investments	1,132	–	–	1,132
Unquoted fund investments	–	16,028	–	16,028
Derivative financial instruments (Note 24)				
Equity related derivative contracts	–	12	–	12
	13,512	16,040	–	29,552
Non-financial assets				
Investment properties (Note 13)				
Commercial properties	–	23,816	–	23,816
Financial liabilities				
Derivative financial instruments (Note 24)				
Equity related derivative contracts	–	175	–	175

32. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Assets and liabilities measured at fair value (continued)

Company	Quoted prices in active markets for identical instruments (Level 1) US$'000	Significant observable inputs other than quoted prices (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
30 June 2019				
Financial assets				
Financial assets at FVPL (Note 17)				
Quoted equity securities	16,375	–	–	16,375
Financial assets at FVOCI (Note 17)				
Quoted bond investments	225	–	–	225
Unquoted equity securities	–	–	361	361
	16,600	–	361	16,961
30 June 2018				
Financial assets				
Held-for-trading investments (Note 17)				
Quoted equity securities	15,650	–	–	15,650
Available-for-sale financial assets (Note 17)				
Quoted bond investments	213	–	–	213
Unquoted fund investments	–	3,547	–	3,547
	15,863	3,547	–	19,410
Financial liabilities				
Derivative financial instruments (Note 24)				
Equity related derivative contracts	–	226	–	226
1 July 2017				
Financial assets				
Held-for-trading investments (Note 17)				
Quoted equity securities	8,920	–	–	8,920
Available-for-sale financial assets (Note 17)				
Quoted equity securities	315	–	–	315
Unquoted fund investments	–	4,008	–	4,008
	9,235	4,008	–	13,243
Financial liabilities				
Derivative financial instruments (Note 24)				
Equity related derivative contracts	–	95	–	95

There is no transfer between Level 1, Level 2 and Level 3 of the fair value hierarchy for the financial years ended 30 June 2019, 30 June 2018 and 1 July 2017.

32. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Commercial investment properties (Note 13)

The valuation of commercial investment properties are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

Unquoted fund investments (Note 17)

Fair value was determined based on the net asset value published by the fund manager at the end of the reporting period.

Commodity and equity related derivative contracts (Note 24)

Equity related derivative contracts are over-the-counter ("OTC") contracts which are valued by financial institutions, of which fair value is determined based on valuation techniques using observable market parameters as inputs. Commodity forward contract is valued using spot rates, a market observable input.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The fair value of unquoted equity investments at FVOCI was estimated based on adjusted net asset value approach which takes into consideration the fair value of the underlying assets and liabilities of the entities as well as incorporating a discount for lack of control.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 30 June 2019 US$'000	Valuation technique	Unobservable inputs	Range of unobservable inputs
Recurring fair value measurements				
Group				
At FVOCI				
Unquoted equity securities	20,497	Adjusted net asset value	Discount for lack of control	5-30%
Company				
At FVOCI				
Unquoted equity securities	361	Adjusted net asset value	Fair value is determined by reference to the underlying assets value of the investee company	Not applicable

For unquoted equity securities, a significant increase/(decrease) in discount for lack of control would result in a significantly lower/(higher) fair value measurement.

32. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(d) Level 3 fair value measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (continued)

Financial assets not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

Unquoted equity investments

As at 30 June 2018, certain unquoted equity investments were stated at cost less impairment as the fair value of investments cannot be reliably measured because the fair value cannot be obtained directly from quoted market price or indirectly using valuation techniques supported by observable market data. These equity investments were acquired for long term, strategic investment purposes. The Group does not intend to dispose of these investments in the foreseeable future.

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Group US$'000	**Company US$'000**
2019		
Financial assets at FVOCI		
Balance at beginning of financial year	9,590	777
SFRS(I) 9 adjustments	12,083	–
Balance at 1 July 2018	21,673	777
Sales	(336)	(81)
Net fair value losses included in other comprehensive income	(840)	(335)
Balance at 30 June 2019	20,497	361

(iii) Valuation policies and procedures

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

32. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(e) Assets not carried at fair value, for which fair value is disclosed

The following table shows an analysis of the Group's and the Company's assets not measured at fair value but for which fair value is disclosed:

	Quoted prices in active markets for identical assets US$'000	Carrying amount US$'000
30 June 2019		
Group		
Associates	51,292	38,350
Company		
Associate	32,923	38,513
30 June 2018		
Group		
Associates (restated)	66,081	62,146
Company		
Associate	38,758	40,143
1 July 2017		
Group		
Associates (restated)	56,761	58,592
Company		
Associate	27,762	33,400

(f) Financial assets and liabilities not carried at fair value, for which carrying amounts approximate fair value

Cash and cash equivalents, trade and other receivables, amounts due from/(to) subsidiaries, borrowings and trade and other payables

The carrying amount of these financial assets and liabilities are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. The Group is exposed to market risk (which includes price, currency and interest rate risks), liquidity risk and credit risk.

(a) Market risk

(i) *Market price risk*

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than currency risk or interest rate risk).

The Group is exposed to market price risk arising from quoted equity securities (Note 17) classified as held-for-trading investments and financial assets at FVOCI (Note 17), as well as derivative financial instruments (Note 24). Financial assets at FVOCI are held for strategic rather than trading purposes. To manage its exposure to market price risk, the Group diversifies its investment portfolio within acceptable parameters as endorsed by the board of directors, through prudent assessment of investments prior to investing and ongoing monitoring of their performance.

At the end of the reporting period, if the price of the quoted investments held as financial assets at FVOCI had been 5% (30 June 2018: 5%, 1 July 2017: 5 %) higher/lower with all other variables held constant, the FVOCI reserve of the Group and the Company would have been US$48,000 (30 June 2018: US$99,000, 1 July 2017: US$113,000) and US$11,000 (30 June 2018: US$11,000, 1 July 2017: US$16,000) higher/lower, respectively.

At the end of the reporting period, if the price of the investment securities at FVPL and derivative financial instruments held had been 5% (2018: 5%) higher/lower with all other variables held constant, the profit before tax of the Group would have been US$861,000 (2018: US$967,000) higher/lower.

(ii) *Foreign currency risk*

The Group and the Company have transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily United States dollar (USD), Singapore dollar (SGD), Australian dollar (AUD) and Hong Kong dollar (HKD).

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) *Foreign currency risk* (continued)

At the end of the reporting period, the material carrying amount of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

Group	SGD US$'000	AUD US$'000	HKD US$'000	Others US$'000	Total US$'000
30 June 2019					
Financial assets					
Cash and cash equivalents	**65,366**	**38,813**	**393**	**30**	**104,602**
Trade and other receivables	**9,052**	**66**	**–**	**–**	**9,118**
Investment securities	**3,898**	**–**	**3,205**	**2,287**	**9,390**
Derivate financial instruments	**900**	**–**	**–**	**–**	**900**
	79,216	**38,879**	**3,598**	**2,317**	**124,010**
Financial liabilities					
Borrowings	**(49)**	**–**	**–**	**–**	**(49)**
Trade and other payables	**(6,608)**	**–**	**–**	**–**	**(6,608)**
	(6,657)	**–**	**–**	**–**	**(6,657)**
Net financial assets	**72,559**	**38,879**	**3,598**	**2,317**	**117,353**

Group	USD US$'000	SGD US$'000	AUD US$'000	HKD US$'000	Others US$'000	Total US$'000
30 June 2018						
Financial assets						
Cash and cash equivalents	1,157	5,145	26,975	2,427	303	36,007
Trade and other receivables	1,146	8,454	12	11	1	9,624
Investment securities	–	3,238	–	1,741	2,961	7,940
	2,303	16,837	26,987	4,179	3,265	53,571
Financial liabilities						
Trade and other payables	(3,073)	(4,396)	–	(5)	(212)	(7,686)
Derivative financial instruments	–	–	–	(111)	–	(111)
	(3,073)	(4,396)	–	(116)	(212)	(7,797)
Net financial assets/ (liabilities)	(770)	12,441	26,987	4,063	3,053	45,774

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) *Foreign currency risk* (continued)

Group	USD US$'000	SGD US$'000	AUD US$'000	HKD US$'000	Others US$'000	Total US$'000
1 July 2017						
Financial assets						
Cash and cash equivalents	2,591	13,584	3,571	3,475	190	23,411
Trade and other receivables	541	85	20,860	–	561	22,047
Investment securities	–	3,030	–	1,611	2,396	7,037
Derivative financial instruments	–	29	–	–	–	29
	3,132	16,728	24,431	5,086	3,147	52,524
Financial liabilities						
Trade and other payables	(2,109)	(4,163)	(443)	–	(255)	(6,970)
Derivative financial instruments	–	–	–	(37)	–	(37)
	(2,109)	(4,163)	(443)	(37)	(255)	(7,007)
Net financial assets	1,023	12,565	23,988	5,049	2,892	45,517

Company	SGD US$'000	AUD US$'000	HKD US$'000	Others US$'000	Total US$'000
30 June 2019					
Financial assets					
Cash and cash equivalents	**863**	**13,924**	**377**	**16**	**15,180**
Trade and other receivables	**91**	**16**	**–**	**–**	**107**
Amounts due from subsidiaries	**55,361**	**–**	**–**	**–**	**55,361**
Investment securities	**3,898**	**–**	**3,205**	**2,288**	**9,391**
	60,213	**13,940**	**3,582**	**2,304**	**80,039**
Financial liabilities					
Borrowings	**(49)**	**–**	**–**	**–**	**(49)**
Trade and other payables	**(6,535)**	**–**	**–**	**–**	**(6,535)**
	(6,584)	**–**	**–**	**–**	**(6,584)**
Net financial assets	**53,629**	**13,940**	**3,582**	**2,304**	**73,455**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) *Foreign currency risk* (continued)

Company	SGD US$'000	AUD US$'000	HKD US$'000	Others US$'000	Total US$'000
30 June 2018					
Financial assets					
Cash and cash equivalents	4,172	14,914	2,378	15	21,479
Trade and other receivables	46	12	7	–	65
Amounts due from subsidiaries	35,596	–	–	–	35,596
Investment securities	3,112	–	1,285	2,962	7,359
	42,926	14,926	3,670	2,977	64,499
Financial liabilities					
Trade and other payables	(3,266)	–	–	–	(3,266)
Amounts due to subsidiaries	(137)	–	–	–	(137)
Derivative financial instruments	–	–	(111)	–	(111)
	(3,403)	–	(111)	–	(3,514)
Net financial assets	39,523	14,926	3,559	2,977	60,985

Company	SGD US$'000	AUD US$'000	HKD US$'000	Others US$'000	Total US$'000
1 July 2017					
Financial assets					
Cash and cash equivalents	8,538	3,070	3,115	10	14,733
Trade and other receivables	30	–	–	–	30
Amounts due from subsidiaries	39,952	1,383	–	–	41,335
Investment securities	3,000	–	85	2,395	5,480
Derivative financial instruments	11	–	–	–	11
	51,531	4,453	3,200	2,405	61,589
Financial liabilities					
Trade and other payables	(3,239)	–	–	–	(3,239)
Amounts due to subsidiaries	(1,254)	–	–	–	(1,254)
Derivative financial instruments	–	–	(37)	–	(37)
	(4,493)	–	(37)	–	(4,530)
Net financial assets	47,038	4,453	3,163	2,405	57,059

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) *Foreign currency risk* (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in the exchange rates of the Australian dollar, Singapore dollar, Hong Kong dollar and United States dollar against the functional currency of the respective Group entities, with all other variables held constant. The sensitivity analysis includes all outstanding foreign currency denominated monetary items.

If the relevant foreign currency weakens by 5% (2018: 5%) against the functional currency of the respective Group entities, profit before tax will decrease/(increase) by:

	Impact on Profit before tax	
	2019	**2018**
	US$'000	**US$'000**
Group		
United States dollar	**–**	(39)
Singapore dollar	**3,628**	622
Australian dollar	**1,944**	1,349
Hong Kong dollar	**180**	203

A 5% strengthening of the relevant foreign currency against the functional currency of the respective Group entities would have resulted in an equal but opposite effect on the financial statements of the respective Group entities, with all other variables held constant.

(iii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their cash and cash equivalents and borrowings.

At the end of the reporting period, if interest rates had been 1% (2018: 1%) higher/lower, with all other variables held constant, the Group's profit before tax would have increased/decreased by approximately US$1,140,000 (2018: US$720,000).

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities.

The Group closely monitors its working capital requirements and funds available. Sufficient liquidity is ensured through efficient cash management and adequate lines of credit. Cash and cash equivalents are maintained at a healthy level appropriate to the operating environment and expected cash flows of the Group.

All financial assets and financial liabilities held by the Group and the Company at the end of the reporting period are receivable and repayable on demand or due within one year, except for investment securities that are held long-term for strategic purposes.

The following table shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities. The maximum amount of the financial guarantee is allocated to the earliest period in which the guarantee could be called.

	Group and Company		
	30 June		1 July
	2019	2018	2017
	US$'000	US$'000	US$'000
Within 1 year			
Financial guarantees	–	–	15,147

(c) Credit risk

Credit risk is the risk of a default by a counterparty on its contractual obligations resulting in financial loss to the Group and the Company. The Group's and the Company's exposure to credit risk arise primarily from trade and loan receivables. The Group and the Company minimise credit risk in relation to investment securities, derivative financial instruments and cash and short-term deposits by dealing exclusively with high credit rating, reputable financial institutions.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been an increase in credit risk on an ongoing basis throughout each reporting period.

The Group and the Company have determined the default event on a financial asset to be when the counterparty fails to make contractual payment, when they fall due.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

To assess whether there is significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider available reasonable and supportive forward-looking information which include the following indicators:

– External credit rating

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

– Actual or expected significant changes in the operating results of the debtor

– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status

Regardless of the analysis above, an increase in credit risk is presumed if a debtor is past due in making contractual payment.

The Group and the Company determine that its financial assets are credit-impaired when:

– There is significant financial difficulty of the debtor

– A breach of contract, such as a default or past due event

– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Company continues to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

(i) *Trade and other receivables*

The Group provides for lifetime expected credit losses for all trade and other receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. In analysing the expected credit losses, the Group also incorporate forward looking information based on the forecasted gross domestic product and economic conditions.

Based on the Group's assessment, the lifetime expected credit losses for the Group's trade and other receivables are not significant.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

(i) *Trade and other receivables* (continued)

The Group and the Company adopt a policy of dealing only with recognised and creditworthy counterparties and obtaining sufficient security, where appropriate, to mitigate credit risk.

The Group and the Company perform ongoing credit evaluations of customers' financial conditions and generally do not require collateral. For investment properties, the Group manages credit risk by collecting deposits and/or banker's guarantees. The Group also monitors all late payments for follow-up action.

The carrying amount of financial assets recorded in the financial statements, represents the Group's and Company's maximum exposure to credit risk without taking into account the value of any collateral obtained.

Further details of credit risk on trade and other receivables are disclosed in Note 22.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group					
	30 June 2019		30 June 2018		1 July 2017	
	US$'000	% of total	US$'000	% of total	US$'000	% of total
By country:						
United States of America	–	–	26,137	51%	24,530	43%
Australia	**4,114**	**99%**	11,777	23%	17,117	31%
Europe	–	–	6,159	12%	7,977	14%
People's Republic of China	–	–	4,133	8%	3,005	5%
Singapore	–	–	1,548	3%	1,342	2%
Others	**15**	**1%**	1,358	3%	2,704	5%
	4,129	**100%**	51,112	100%	56,675	100%

At the end of the reporting period, 99% (30 June 2018: 23%, 1 July 2017: 30%) of the Group's trade receivables was due from an associate in Australia. However, the Group has assessed that the risk is mitigated based on past settlement records and financial capacity of the associate.

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an optimal capital structure to maximise shareholders' value and to support business growth, taking into consideration underlying business risks.

The Group manages its capital through regular reviews to ensure business returns commensurate with the level of risks and adjustments to capital allocations are made in the light of changes in economic conditions. No changes were made in the Group's objectives and policies during the financial years ended 30 June 2019 and 2018.

35. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) The investment segment relates to investment holding and trading, group level corporate and treasury activities;

(b) The electronics manufacturing services segment delivers end-to-end manufacturing supply chain solutions that comprise design, manufacturing engineering, material sourcing and procurement, assembly, testing and logistics. This business segment was disposed of during the financial year (Note 8); and

(c) The property segment comprises property development, investment in properties and investment in property related entities.

Management monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Investment US$'000	Electronics manufacturing services (Discontinued operations) US$'000	Property US$'000	Adjustments and eliminations US$'000	Total US$'000
30 June 2019					
Revenue					
External sales	877	175,892	17,409	(175,892)	18,286
Inter-segment sales	10,904	29	–	(10,933)	–
Total revenue	11,781	175,921	17,409	(186,825)	18,286
Results					
Finance costs	(163)	–	(76)	–	(239)
Gain on disposal of subsidiaries	–	63,545	–	(63,545)	–
Fair value loss on investment properties	–	–	(1,009)	–	(1,009)
Depreciation/amortisation expense	(128)	(3,047)	–	3,047	(128)
Share of results of associates	–	–	(20,476)	–	(20,476)
Segment (loss)/profit	(8,964)	73,004	(18,021)	(73,004)	(26,985)
Assets and liabilities					
Associates	–	–	38,350	–	38,350
Additions to plant and equipment	616	2,277	–	–	2,893
Addition to investment property	–	–	32,020	–	32,020
Segment assets	146,817	–	141,727	–	288,544
Segment liabilities	10,142	–	9,163	–	19,305

35. SEGMENT INFORMATION (continued)

	Investment US$'000	Electronics manufacturing services (Discontinued operations) US$'000	Property US$'000	Adjustments and eliminations US$'000	Total US$'000
30 June 2018					
Revenue					
External sales	3,432	288,673	53,193	(288,673)	56,625
Inter-segment sales	14,592	–	–	(14,592)	–
Total revenue	18,024	288,673	53,193	(303,265)	56,625
Results					
Finance costs	(205)	–	–	–	(205)
Fair value gain on investment properties	–	–	157	–	157
Depreciation/amortisation expense	(135)	(3,351)	–	3,351	(135)
Share of results of associates	–	–	(50)	–	(50)
Segment (loss)/profit	(6,634)	18,257	5,721	(18,257)	(913)
Assets and liabilities					
Associates	–	–	62,146	–	62,146
Additions to plant and equipment	11	4,938	–	–	4,949
Segment assets	97,783	166,518	141,054	–	405,355
Segment liabilities	12,230	65,998	18,366	–	96,594
1 July 2017					
Assets and liabilities					
Associates	–	–	58,592	–	58,592
Segment assets	96,090	147,355	202,768	–	446,213
Segment liabilities	12,259	59,990	58,284	–	130,533

35. SEGMENT INFORMATION (continued)

Geographical information

Revenue by geographical segment is based on the country in which the counterparty is located.

Segment assets (non-current assets excluding financial and deferred tax assets) are based on the geographical location of these assets.

	Revenue		Non-current assets		
	30 June		30 June		1 July
	2019	2018	2019	2018	2017
	US$'000	US$'000	US$'000	US$'000	US$'000
Group					
Singapore	**6,004**	17,744	**58,515**	71,138	71,723
Australia	**15,123**	51,366	**35,899**	37,939	32,535
ASEAN (excluding Singapore)	**2,392**	2,850	**–**	3,726	4,306
People's Republic of China	**17,006**	18,786	**–**	2,275	1,511
United States of America	**121,311**	179,280	**–**	1	1
Europe	**30,212**	66,858	**–**	–	–
Others	**2,130**	8,414	**–**	–	–
Discontinued operations	**(175,892)**	(288,673)	**–**	–	–
	18,286	56,625	**94,414**	115,079	110,076

Information about major customers

For the year ended 30 June 2019, no single external customer accounted for 10% or more of the Group's revenue. In the previous financial year, revenue of US$64,733,000 was derived from three major customers attributable to the discontinued operations.

36. CONTINGENT LIABILITIES

	Group			Company		
	30 June		1 July	30 June		1 July
	2019	2018	2017	2019	2018	2017
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Guarantees in respect of bank facilities of a subsidiary and bank borrowings of an associate	**–**	–	15,147	**–**	–	15,147

37. COMMITMENTS

Operating lease commitments

As lessee

The Group has entered into non-cancellable operating lease agreements for the rental of factory space, office premises, residential premises and land.

	Group	
	2019	**2018**
	US$'000	**US$'000**
Minimum lease payments under operating lease recognised as an expense in profit or loss, excluding amortisation of prepaid lease payments	**422**	485

Future minimum lease payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group			Company		
	30 June		**1 July**	**30 June**		**1 July**
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Not later than 1 year	**81**	463	455	**81**	130	134
Later than 1 year but not later than 5 years	**–**	1,061	1,232	**–**	260	–
Later than 5 years	**–**	3,751	3,964	**–**	–	–
	81	5,275	5,651	**81**	390	134

As lessor

The Group has entered into operating lease agreements on its investment properties and leasehold properties.

	Group	
	2019	**2018**
	US$'000	**US$'000**
Rental income for the year included in profit or loss	**1,028**	1,004

37. COMMITMENTS (continued)

Operating lease commitments (continued)

As lessor (continued)

Future minimum lease receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group		
	30 June		1 July
	2019	2018	2017
	US$'000	US$'000	US$'000
Not later than 1 year	**983**	906	891
Later than 1 year but not later than 5 years	**560**	1,273	375
	1,543	2,179	1,266

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Group for the financial year ended 30 June 2019 were approved and authorised for issue by the board of directors on 20 September 2019.

STATISTICS
OF SHAREHOLDINGS
AS AT 19 SEPTEMBER 2019

Share Capital

Total Number of Issued Shares	:	928,272,850
Issued and Fully Paid-up Capital	:	S$265,321,291
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
Number/Percentage of Treasury Shares	:	0 (0%)
Number/Percentage of Subsidiary Holdings	:	0 (0%)

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	7	0.08	177	0.00
100 – 1,000	192	2.21	155,215	0.02
1,001 – 10,000	4,292	49.41	29,542,786	3.18
10,001 – 1,000,000	4,160	47.90	240,413,322	25.90
1,000,001 and above	35	0.40	658,161,350	70.90
Total	**8,686**	**100.00**	**928,272,850**	**100.00**

Twenty Largest Shareholders

No.	Name of Shareholder	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	503,344,750	54.22
2	DBS NOMINEES PTE LTD	28,898,100	3.11
3	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	19,510,800	2.10
4	PEH KWEE CHIM	19,379,000	2.09
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	14,977,900	1.61
6	OCBC NOMINEES SINGAPORE PTE LTD	6,924,600	0.75
7	MORPH INVESTMENTS LTD	5,350,000	0.58
8	TEO CHENG TUAN DONALD	4,000,000	0.43
9	LIM MENG KONG	3,824,500	0.41
10	LEE ENG KHIAN	3,741,100	0.40
11	RAFFLES NOMINEES (PTE) LIMITED	3,546,000	0.38
12	LEONG HEIN HAK	3,250,000	0.35
13	BOH YUN MEI	3,000,000	0.32
14	NG THIN ONN TONY	3,000,000	0.32
15	SEE BENG LIAN JANICE	2,867,100	0.31
16	TAN BENG YIAM	2,752,000	0.30
17	PHILLIP SECURITIES PTE LTD	2,623,300	0.28
18	SEAH KIOK LENG	2,210,000	0.24
19	UOB KAY HIAN PTE LTD	2,158,000	0.23
20	LOA SZE PIN	2,150,000	0.23
	Total:	**637,507,150**	**68.66**

Substantial Shareholders

	Direct Interest		Deemed Interest	
Name of Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**
Kai Xin Guo Pte Ltd (formerly known as 3P Pte Ltd)	478,264,490	51.52[(a)&(b)]	–	–
Peh Kwee Chim	19,379,000	2.09	478,264,490	51.52[(c)]
Qing Shan Pte Ltd	–	–	478,264,490	51.52[(b)]
TMF Trustees Singapore Limited	–	–	478,264,490	51.52[(b)]
Peh Siong Woon Terence	–	–	478,264,490	51.52[(d)]
Beamsbury Limited	–	–	478,264,490	51.52[(e)]

Notes:

(a) Held in the name of its nominee, Citibank Nominees Singapore Pte Ltd.

(b) Kai Xin Guo Pte Ltd is a wholly-owned subsidiary of Qing Shan Pte Ltd, which is in turn entirely held by TMF Trustees Singapore Limited as trustee of a trust constituted by Mr Peh Kwee Chim ("Trust").

(c) Mr Peh Kwee Chim is a director of Kai Xin Guo Pte Ltd and is also the settlor of the Trust, and is therefore deemed, pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and Section 7 of the Companies Act, Chapter 50 of Singapore (the "CA"), to have an interest in the 478,264,490 shares of the Company held by Kai Xin Guo Pte Ltd.

(d) Mr Peh Siong Woon Terence is a director of Kai Xin Guo Pte Ltd and is also the beneficiary of the Trust, and is therefore deemed, pursuant to Section 4 of the SFA and Section 7 of the CA, to have an interest in the 478,264,490 shares of the Company held by Kai Xin Guo Pte Ltd.

(e) Beamsbury Limited, the nominee corporate director of TMF Trustees Singapore Limited and sole director of Qing Shan Pte Ltd, manages, controls the operations of and determines the policy with respect to Qing Shan Pte Ltd.

Shareholdings held by Public

Based on information available to the Company as at 19 September 2019, approximately 46.36% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING
AND CLOSURE OF BOOKS

CHUAN HUP HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No. 197000572R)

NOTICE IS HEREBY GIVEN that the Forty-Ninth Annual General Meeting of Chuan Hup Holdings Limited ("the **Company**") will be held at the Theatrette, Level 2, The JTC Summit, 8 Jurong Town Hall Road, Singapore 609434 on Tuesday, 29 October 2019 at 10.30 a.m. to transact the following business:

(A) ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2019 and the Auditor's Report thereon. — Ordinary Resolution 1

2. To declare a final tax exempt one-tier dividend of 1 SG cent per ordinary share for the financial year ended 30 June 2019. — Ordinary Resolution 2

3. To re-elect Mr Lo Pang Foo Steven who is retiring by rotation under Regulation 85 of the Company's Constitution and who, being eligible, offers himself for re-election. — Ordinary Resolution 3

4. To re-elect Mr Peh Kwee Chim who is retiring by rotation under Regulation 85 of the Company's Constitution and who, being eligible, offers himself for re-election. — Ordinary Resolution 4

5. To approve the sum of SGD195,100 to be paid to Non-Executive Directors as Directors' fees for the financial year ended 30 June 2019 (FY2018: SGD192,200). — Ordinary Resolution 5

6. To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. — Ordinary Resolution 6

(B) SPECIAL BUSINESS:

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

7. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), authority be and is hereby given to the Directors of the Company to: — Ordinary Resolution 7

    (a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

    (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

    at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

    (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:

    (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

    (ii) any subsequent bonus issue or consolidation or subdivision of shares;

    and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Companies Act;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST (the "**Listing Manual**") for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING
AND CLOSURE OF BOOKS

8. That approval be and is hereby given:– Ordinary Resolution 8

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:–

(i) an on-market share acquisition ("**On-Market Purchase**") transacted on the SGX-ST trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or

(ii) off-market share acquisition ("**Off-Market Purchase**") pursuant to an equal access scheme(s) as may be determined or formulated by the Directors in their discretion, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise be in accordance with all other laws, the Listing Manual and other regulations and rules of the SGX-ST,

(the "**Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Mandate may be exercised by the Directors of the Company at any time and from time to time, on and from the date of passing of this Resolution up to:–

(i) the date on which the next annual general meeting of the Company is held or required by law to be held; or

(ii) the date on which the authority conferred by the Share Buy Back Mandate is revoked or varied by the Company in general meeting, whichever is the earlier; or

(iii) the date on which the Share buy back is fulfilled up to the full extent of the Share Buy Back Mandate; and

(c) the Directors of the Company and/or any of them be and is hereby authorised to do such acts and things (including, without limitation, entering into all transactions, arrangements and agreements and executing such documents) as they and/or he may consider necessary or expedient to give effect to this resolution.

In this Resolution:–

"**Maximum Limit**" means that number of Shares representing 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period (as defined below), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered. Any of the Shares held by the Company as treasury shares and subsidiary holdings shall be disregarded for purposes of computing the 10% limit of the issued ordinary share capital of the Company;

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the price paid per Share which does not exceed 105% of the average of the closing market prices of the Shares over the last five (5) market days, on which transactions in the Shares were recorded, before the day on which the purchases are made and deemed to be adjusted for any corporate action which occurs after the relevant five (5) day period; and

"**Relevant Period**" means the period commencing from the date of passing of this Resolution and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting.

"**subsidiary holdings**" has the meaning ascribed to it in the Companies Act.

The Maximum Price shall apply to both On-Market Purchases and Off-Market Purchases and shall exclude brokerage fees, commission, stamp duties payable, applicable goods and services tax, clearance fees and other related expenses.

NOTICE OF ANNUAL GENERAL MEETING
AND CLOSURE OF BOOKS

NOTICE IS ALSO HEREBY GIVEN that, subject to the approval of shareholders for the final dividend being obtained at the Forty-Ninth Annual General Meeting to be held on 29 October 2019, the Transfer Books and the Register of Members of the Company will be closed on 5 November 2019 for the preparation of dividend warrants.

Duly completed registrable transfers in respect of ordinary shares of the Company received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 4 November 2019, will be registered to determine shareholders' entitlements to the proposed final dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 4 November 2019, will be entitled to the proposed final dividend.

The final dividend, if approved by shareholders at the Annual General Meeting, will be paid on 13 November 2019.

By Order of the Board

Valerie Tan May Wei
Company Secretary
7 October 2019

Explanatory Notes

1. In relation to Ordinary Resolution 3, Mr Lo Pang Foo Steven, will upon re-election, continue to serve as the Chairman of the Board, the Chairman of the Remuneration and Nominating Committees and a member of the Audit Committee. Mr Lo is considered an independent director. Please refer to the section on Board of Directors in the Annual Report 2019 for further details on Mr Lo.

2. In relation to Ordinary Resolution 4, Mr Peh Kwee Chim, will upon re-election, continue to serve as a member of the Nominating Committee. Mr Peh is considered a non-independent director. Please refer to the section on Board of Directors in the Annual Report 2019 for further details on Mr Peh.

3. Ordinary Resolution 8 if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of On-Market Purchase or Off-Market Purchase of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price. Information relating to the Share Buy Back Mandate, such as the rationale, the authority and limits, the source of funds to be used for the purchase or acquisition and the financial effects of the Share Buy Back Mandate based on the audited consolidated financial statements of the Group for the financial period ended 30 June 2019 are set out in greater detail in the Appendix to this Notice of Annual General Meeting.

4. **Personal Data Privacy:**

   By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This page has been intentionally left blank

CHUAN HUP HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No. 197000572R)

ANNUAL GENERAL MEETING

PROXY FORM

IMPORTANT:
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in the capital of Chuan Hup Holdings Limited ("Shares"), the Annual Report 2019 is forwarded to them at the request of their CPF Agent Banks/SRS Operators and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. A CPF/SRS investor who wishes to attend the Annual General Meeting as proxy has to submit his request to his CPF Agent Bank/SRS Operator so that his CPF Agent Bank/SRS Operator may appoint him as its proxy within the specified time frame. (CPF Agent Banks/SRS Operators: Please refer to Notes 2(b) and 4 on the reverse side of this form on the required details).

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 October 2019.

I/We ________________________________ (Name) ________________ (NRIC/Passport No./Co.Reg.No.)

of ____ (Address)

being a member/members of Chuan Hup Holdings Limited (the "**Company**") hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings (Ordinary Shares)**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings (Ordinary Shares)**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Forty-Ninth Annual General Meeting of the Company ("Annual General Meeting") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting to be held at the Theatrette, Level 2, The JTC Summit, 8 Jurong Town Hall Road, Singapore 609434 on Tuesday, 29 October 2019 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting and at any adjournment thereof.

No.	**Ordinary Resolution**	**No. of Votes For***	**No. of Votes Against***
	ORDINARY BUSINESS		
1.	Adoption of Directors' Statement and Audited Financial Statements and Auditor's Report		
2.	Declaration of Final Dividend		
3.	Re-election of Mr Lo Pang Foo Steven as Director		
4.	Re-election of Mr Peh Kwee Chim as Director		
5.	Approval of Directors' Fees		
6.	Re-appointment of Ernst & Young LLP as Auditor		
	SPECIAL BUSINESS		
7.	Issue of additional shares and convertible instruments		
8.	Approval of the Proposed Renewal of the Share Buy Back Mandate		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick ["✓"] within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Shares in the relevant boxes provided.

Dated this __________ day of ________________ 2019

Total Number of Shares held:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: Please read notes on the reverse side

3rd fold here

Please
Affix
Postage
Stamp

The Company Secretary
CHUAN HUP HOLDINGS LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00 Singapore 068898

1st fold here

Notes:

1. Please insert the total number of Shares held by you. If you only have Shares entered against your name in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you only have Shares registered in your name in the Register of Members, you should insert that number of Shares. However, if you have Shares entered against your name in the Depository Register as well as Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the Shares held by you (in both the Register of Members and the Depository Register).

2. (a) A member of the Company entitled to attend and vote at a meeting of the Company, and who is not a Relevant Intermediary, is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company. Where a member of the Company appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy.

   (b) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than one proxy is appointed, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the proxy form. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of Shares, class of Shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note.

   (c) "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. Completion and return of the proxy form shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies will be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the proxy form, to the meeting.

2nd fold here

4. The proxy form must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #02-00 Singapore 068898 not less than 72 hours before the time appointed for the Annual General Meeting.

5. The proxy form appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised in writing. Where a proxy form is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

6. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

7. The Company shall be entitled to reject the proxy form appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form (including any related attachment) appointing a proxy or proxies. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

CHUAN HUP HOLDINGS LIMITED
(Co. Reg. No. 197000572R)
8 Jurong Town Hall Road
#26-01 The JTC Summit
Singapore 609434
Tel: (65) 6559 9700 Fax: (65) 6268 1937
Website: www.chuanhup.com.sg
Email: corpsec_legal@chuanhup.com.sg