Company Registration No: 197901641K

MEMSTAR TECHNOLOGY LTD.
(Incorporated in Singapore)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

30 JUNE 2018

MEMSTAR TECHNOLOGY LTD.
(Incorporated in Singapore)

30 JUNE 2018

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MEMSTAR TECHNOLOGY LTD.
(Incorporated in Singapore)

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

The directors are pleased to present their statement to the members together with the financial statements of Memstar Technology Ltd. (the "Company") for the financial year ended 30 June 2018.

In the opinion of the directors,

(a) the financial statements of the Company together with the notes thereto, as set out on pages 3 to 24, are drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2018 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and

(b) 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.

1 Directors

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

Pan Shuhong
Dr Ge Hailin

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was 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.

3 Directors' Interests in Shares or Debentures

According to the register of the directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50, none of the directors holding office at the end of the financial year had any interest in shares or debentures of the Company, except as follows:

Name of directors	Shareholdings registered in the name of directors		Shareholdings in which director is deemed to have an interest	
	As at 1.7.2017	As at 30.6.2018	As at 1.7.2017	As at 30.6.2018
The Company	*No. of ordinary shares*			
Pan Shuhong	256,977,698 [1]	256,977,698 [1]	563,803,426 [2]	563,803,426 [2]
Dr Ge Hailin	152,817,724	152,817,724	-	-

[1] Includes 55,000,000 shares held by a nominee
[2] Ms Pan Shuhong is deemed interested in the shares held by Joyfield Group Limited as she is the controlling shareholder of Joyfield Group Limited

4 Share Options

Options Granted

During the financial year, there were no share options granted by the Company.

Options Exercised

During the financial year, there were no shares issued by virtue of the exercise of options to take up unissued shares of the Company.

Options Outstanding

At the end of the financial year, there were no unissued shares of the Company under option.

Board of Directors,

....
Pan Shuhong
Director

....
Dr Ge Hailin
Director

Singapore

26 August 2021

MEMSTAR TECHNOLOGY LTD.
(Incorporated in Singapore)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 S$'000	2017 S$'000
Other income	5	6,750	17
Expenses:			
Administrative expenses		(204)	(248)
Profit/(loss) before income tax	6	6,546	(231)
Income tax	7	-	-
Net profit/(loss) for the year		6,546	(231)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		6,546	(231)
Earnings/(loss) per share - Basic and diluted (S$ cents)	8	0.21	(0.01)

The accompanying notes form an integral part of these financial statements

MEMSTAR TECHNOLOGY LTD.
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	2018 S$'000	2017 S$'000
ASSETS			
Current assets			
Available-for-sale investment	9	4	4
Other receivables	10	6,765	15
Cash and cash equivalents	11	66	138
		6,835	157
Total assets		6,835	157
EQUITY AND LIABILITY			
Share capital and reserves			
Share capital	12	6,884	6,884
Accumulated losses		(1,592)	(8,138)
Total equity		5,292	(1,254)
Current liability			
Other payables	13	1,543	1,411
Total liability		1,543	1,411
Total equity and liability		6,835	157

The accompanying notes form an integral part of these financial statements

MEMSTAR TECHNOLOGY LTD.
(Incorporated in Singapore)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Share capital S$'000	Accumulated losses S$'000	Total S$'000
Balance as at 1 July 2017	6,884	(8,138)	(1,254)
Net profit for the year	-	6,546	6,546
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	6,546	6,546
Balance as at 30 June 2018	6,884	(1,592)	5,292
Balance as at 1 July 2016	6,884	(7,907)	(1,023)
Net loss for the year	-	(231)	(231)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(231)	(231)
Balance as at 30 June 2017	6,884	(8,138)	(1,254)

The accompanying notes form an integral part of these financial statements

MEMSTAR TECHNOLOGY LTD.
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 S$'000	2017 S$'000
Cash Flows from Operating Activity			
Profit/(loss) before income tax		6,546	(231)
Adjustment for:			
Allowance for impairment on other receivables written back	5	(6,750)	-
Operating cash flow before working capital changes		(204)	(231)
Changes in working capital:			
Other payables		132	(13)
Net cash used in operating activity		(72)	(244)
Net decrease in cash and cash equivalents		(72)	(244)
Cash and cash equivalents at the beginning of the year		138	382
Cash and cash equivalents at the end of the year	11	66	138

The accompanying notes form an integral part of these financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements:

1 General

Memstar Technology Ltd. (the "Company") is a public limited liability company incorporated and domiciled in Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The address of the Company's registered office and principal place of business is 11 Kian Teck Drive, Singapore 628828.

The principal activity of the Company is that of an investment holding company.

On 18 May 2016, the Company has been issued a notification of delisting from the SGX-ST as a result of the termination of the Reverse Take Over Sale and Purchase Agreement ("RTO SPA") entered with the existing shareholders of Longmen Group Ltd ("Longmen"), which precludes the Company from meeting its obligations under the extension of time granted by SGX-ST for a new listing. Consequently, trading in the Company's securities has been suspended with effect from 20 June 2016 until the completion of an exit offer to the shareholders. As at date of this statement, the exit offer has not been carried out by the Company and the Company's controlling shareholders have not expressed any intention to make an exit offer.

The financial statements for the financial year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2 Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

These financial statements are presented in Singapore Dollars ("SGD"), which is the Company's functional currency.

2.2 Adoption of New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 July 2017. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2 Summary of Significant Accounting Policies (cont'd)

2.3 Standards Issued but Not Yet Effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue*	1 January 2018
Amendments to FRS 115 *Revenue*	1 January 2018
FRS 116 *Leases*	1 January 2019
Amendments to FRS 12 *Income Taxes*	1 January 2019
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 103 *Definition of a Business*	1 January 2020
Amendments to FRS 1 and FRS 8 *Definition of Material*	1 January 2020
Amendments to FRS 116 *Covid-19 Related Rent Concessions*	1 June 2020
Amendment to FRS 116 *Covid-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to FRS 103 *Reference to the Conceptual Framework*	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 *Classification of liabilities as Current or Non Current*	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2 *Disclosure of Accounting Policies*	1 January 2023
Amendments to FRS 8 *Definition of Accounting Estimates*	1 January 2023

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 **Summary of Significant Accounting Policies** (cont'd)

2.4 Financial Assets

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method less impairment losses. Interest is recognised by applying the effective interest method, except for short-term balances when the effect of discounting is immaterial.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments.

They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets.

Loans and receivables are presented as "other receivables" and "cash and cash equivalents" on the statement of financial position.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets which are not classified as held-to-maturity investments, loans and receivables or financial assets at fair value through profit or loss.

After initial recognition, available-for-sale financial assets 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 that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

2 **Summary of Significant Accounting Policies** (cont'd)

2.4 Financial Assets (cont'd)

Subsequent measurement (cont'd)

Available-for-sale financial assets (cont'd)

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

De-recognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

Loan and receivables

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2 **Summary of Significant Accounting Policies** (cont'd)

2.4 Financial Assets (cont'd)

Impairment of financial assets (cont'd)

Loan and receivables (cont'd)

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Available-for-sale financial assets

In addition to the objective evidence of impairment described above, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired. If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2 Summary of Significant Accounting Policies (cont'd)

2.5 Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company 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.

Such financial liabilities comprise of other payables.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2 Summary of Significant Accounting Policies (cont'd)

2.6 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.7 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the financial year, to recover or settle the carrying amount of its assets and liabilities.

2 Summary of Significant Accounting Policies (cont'd)

2.7 Taxes (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss.

2.8 Foreign Currency Transactions and Balances

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

2.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.10 Share Capital

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.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the entity's accounting policies

Management is of the opinion that there is no instance of application of judgements expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations (see below).

(b) 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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for impairment of other receivables

Management reviews its receivables for objective evidence of impairment at least quarterly. To determine whether there is objective evidence of impairment, the Company considers factors such as significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments. Management makes a judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with an adverse effect in the technological, market, economic, or legal environment in which the debtor operates in.

The carrying amount of other receivables as at 30 June 2018 was S$6,765,000 (2017: S$15,000) (Note 10).

4 Financial Instruments, Financial Risks and Capital Management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2018 S$'000	2017 S$'000
Financial assets		
Available-for-sale	4	4
Loan and receivables	6,831	153
	6,835	157
Financial liability		
At amortised cost	1,543	1,411

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar arrangements

The Company does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting arrangements.

(c) Financial risk management policies and objectives

(i) Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from other receivables. For other financial assets such as cash and cash equivalents, the Company minimises credit risk by dealing exclusively with reputable financial institutions with high credit ratings.

The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. The Company does not have any significant concentration of credit risk except for other receivables as disclosed in Note 10.

- Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are creditworthy parties. Bank deposits that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings assigned by international credit rating agencies.

As at the reporting date, the Company's other receivables that are neither past due nor impaired amounted to S$6,765,000 (2017: S$15,000).

4 **Financial Instruments, Financial Risks and Capital Management** (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(i) Credit risk management (cont'd)

- Financial assets that are past due and/or impaired

There is no major class of financial assets that is past due and/or impaired except for other receivables.

The movement in the allowance for impairment of other receivables is as follows:

	2018 S$'000	2017 S$'000
At beginning of the year	6,750	6,750
Written back (Note 5)	(6,750)	-
At end of the year (Note 10)	-	6,750

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. For cash placed with banks and financial institutions, the Company's policy is to obtain the most favourable interest rates available. The Company does not have significant exposure to variable interest rate risk.

(iii) Foreign exchange risk

As at 30 June 2018, the Company does not have any significant exposure to foreign currency risk.

(iv) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from the timing of the maturities of financial assets and liabilities. The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. All of the Company's payables are due within the next twelve months from the reporting date as the cash outflows approximate the carrying amounts because of their relatively short term period of maturity.

(d) Fair value of financial assets and financial liabilities

The carrying amounts of other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

4 Financial Instruments, Financial Risks and Capital Management (cont'd)

(e) Capital management policies and objectives

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2018 and 2017.

The Company monitors capital using a net debt-to-equity ratio, which is net debt divided by total equity. The Company include within net debt, other payables less cash and cash equivalents. Total equity includes equity attributable to the equity holders of the Company.

The net debt-to-equity ratio as at 30 June is as follows:

	2018 S$'000	2017 S$'000
Total debts	1,543	1,411
Less: Cash and cash equivalents (Note 11)	(66)	(138)
Net debts	1,477	1,273
Equity attributable to owners of the Company	5,292	(1,254)
Net debt-to-equity ratio	0.28	N.M.

N.M. - Not meaningful as the Company has a deficit in shareholders' funds in excess of its total debt in the prior year.

The Company is not subject to any externally imposed capital requirements for the financial years ended 30 June 2018 and 2017.

5 Other Income

	2018 S$'000	2017 S$'000
Allowance for impairment on other receivables written back (Notes 4 and 10)	6,750	-
Others	-	17
	6,750	17

6 Profit/(Loss) before Income Tax

	2018 S$'000	2017 S$'000
Profit/(loss) before income tax is arrived at after charging:		
Administrative expenses		
- Audit fees	25	28
- Directors' fees	108	180
- Legal and professional fees	5	22
- Others	66	18
	204	248

No non-audit fees were paid to the external auditors for the financial years ended 30 June 2018 and 30 June 2017.

7 Income Tax

	2018 S$'000	2017 S$'000
Current income tax:		
- current year	-	-

7 **Income Tax** (cont'd)

The income tax benefit on profit/(loss) differs from the amount that would arise using the applicable Singapore tax rate of 17% (2017: 17%) due to the following:

	2018 S$'000	2017 S$'000
Profit/(loss) before income tax	6,546	(231)
Income tax calculated at 17%	1,113	(39)
Income not subject to tax	(1,148)	-
Non-deductible items	35	39
	-	-

Unrecognised deferred tax assets

As at 30 June 2018, the Company has unutilised tax losses and capital allowances of approximately S$6,164,000 (2017: S$6,164,000) and S$345,000 (2017: S$345,000) respectively, which can be carried forward and used to offset against future taxable income subject to the satisfaction of the substantial shareholding test and agreement of the tax authorities and compliance with relevant provisions of the tax legislation of Singapore. Deferred tax benefits arising from these unutilised tax losses carried forward approximately S$1,107,000 (2017: S$1,107,000) have not been recognised as there is no reasonable certainty that future taxable profits will be available to utilise these tax losses and capital allowances.

8 **Earnings/(Loss) Per Share**

Basic earnings/(loss) per share is calculated by dividing the Company's profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

Basic earnings/(loss) per share is calculated as follows:

	2018	2017
Profit/(loss) for the year	S$6,546,000	(S$231,000)
Weighted average number of ordinary shares	3,157,407,337	3,157,407,337
Basic earnings/(loss) per share (S$ cents)	0.21	(0.01)

There is no dilution of earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding at the end of the current and previous financial years.

9 Available-for-Sale Investment

	2018 $'000	2017 S$'000
Quoted equity shares	4	4

10 Other Receivables

	2018 S$'000	2017 S$'000
Refundable deposit advance to a third party	6,750	6,750
Less: Allowance for impairment (Note 4(c)(i))	-	(6,750)
	6,750	-
Other deposit	15	15
	6,765	15

The Company has, on 20 December 2014, entered into a Reverse Take Over Sale and Purchase Agreement ("RTO SPA") with the existing shareholders of Longmen Group Ltd ("Longmen") to acquire the entire issued and paid-up share capital of the Longmen, together with its subsidiaries, from the shareholders of Longmen.

The refundable deposit advance to a third party, Longmen relates to the 1st tranche of fund raising for the proposed RTO transaction according to terms and conditions in the RTO SPA.

In the event that RTO SPA is terminated or the proposed RTO does not complete by the Long-Stop Date (31 December 2015 or 4 months from the date of approval in-principle being granted by the SGX-ST in respect of the proposed RTO, whichever is earlier), the refundable deposit shall be refunded to the Company.

As discussed in Note 1, the Company terminated the RTO SPA as a result of breaches of various conditions by Longmen under the agreement. The Company has appointed legal counsel to commence legal action against Longmen to recover the refundable deposit of S$6,750,000 (US$5,000,000) advanced to Longmen.

Full allowance for impairment of refundable deposit had been provided since prior years. As discussed in Note 15, the refundable deposit has been recovered as at the date of this statement. Accordingly, the allowance for impairment on refundable deposit was written back in the current year (Note 5).

11 Cash and Cash Equivalents

	2018 S$'000	2017 S$'000
Bank balances	66	138

Cash and cash equivalents are denominated in the following currencies:

	2018 S$'000	2017 S$'000
United States dollars	14	14
Singapore dollars	34	46
Renminbi	18	78
	66	138

12 Share Capital

	2018		2017	
	Number of ordinary shares '000	Share capital S$'000	Number of ordinary shares '000	Share capital S$'000
Balance at the beginning and end of the year	3,157,407	6,884	3,157,407	6,884

The ordinary shares of the Company have no par value.

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.

13 Other Payables

	2018 S$'000	2017 S$'000
Accrued operating expenses	488	1,391
Other creditors	1,055	20
	1,543	1,411

Other payables, which comprise mainly legal and professional fees, are denominated in the following currencies:

	2018 S$'000	2017 S$'000
United States dollars	25	25
Singapore dollars	1,460	1,328
Renminbi	41	41
Hong Kong dollars	17	17
	1,543	1,411

14 Related Party Transactions

A related party is a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

Parties are considered to be related if (a) a person or a close member of that person's family is related to a reporting entity, if that person (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to a reporting entity if (i) the entity and the reporting entity are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity; and (viii) the entity or any member of a group of which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the Company. The directors and executive officers of the Company are considered as key management personnel of the Company.

14 Related Party Transactions (cont'd)

Details of the key management personnel compensation are as follows:

	2018 S$'000	2017 S$'000
Directors' fees	108	180

15 Subsequent Events

(a) Delist from SGX-ST

The Company has, on 7 October 2020, been delisted from the Official List of the SGX-ST.

(b) Legal action taken against Longmen

As discussed in Notes 1 and 10, the Company terminated the RTO SPA as a result of breaches of various conditions by Longmen under the agreement. The Company has appointed legal counsel to commence legal action against Longmen to recover the refundable deposit of S$6,750,000 (US$5,000,000) advanced to Longmen.

As at the date of this statement, the refundable deposit has been fully recovered.