WORLD CLASS GLOBAL

WORLD CLASS GLOBAL LIMITED
ANNUAL REPORT 2017

***AUSTRALIA 108*, MELBOURNE**
Artist's Impression

About Us

World Class Global Limited is a real estate company that undertakes property development and property investment in major cities in Australia and Malaysia. Our development projects include *Australia 108* and *AVANT* in Melbourne, Australia, which we have launched.

We also hold various land parcels in Penang, Malaysia, which comprise mainly shophouses. We plan to develop the land, and in some cases, refurbish existing buildings on these sites, into commercial and/or residential premises.

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Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present to you the first annual report of World Class Global Limited ("World Class Global", and together with its subsidiaries, collectively, the "Group") for the financial year ended 31 December 2017 ("FY2017").

***AVANT*, MELBOURNE**
Artist's Impression

FY2017 had been an exciting year for us. Apart from a successful initial public offering on the Catalist board of the Singapore Exchange in June 2017, which drew strong investors' interest, the Group achieved several key milestones for its Australian property development projects during the year.

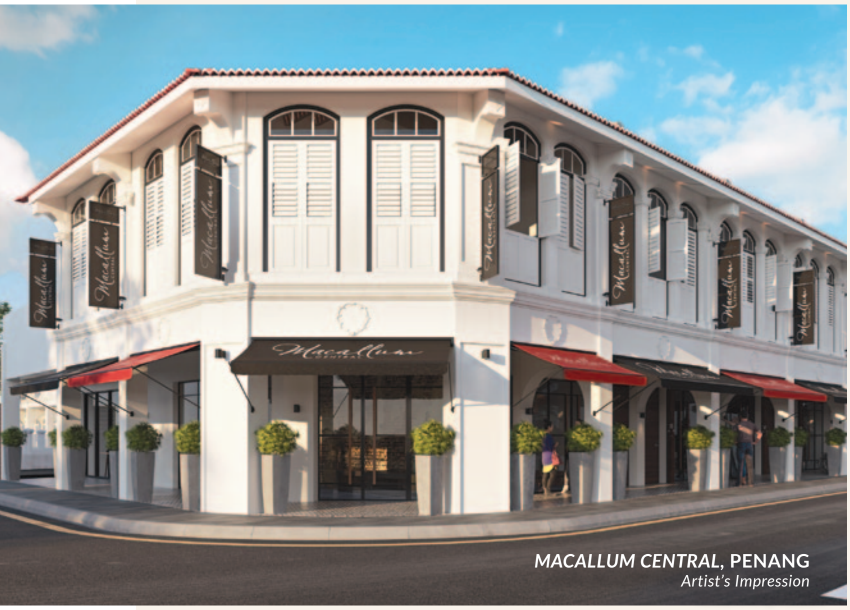
During the course of FY2017, the Group witnessed tremendous progress in the sale and construction of its *Australia 108* and *AVANT* property development projects, which are both strategically located in the heart of Melbourne's Central Business District.

Piped as "The Tallest Residence in The Southern Hemisphere" as at the date of the launch, about 98% of the 1,103 residential and commercial units at *Australia 108* have been sold up to the date of this report. As at the end of February 2018, construction of *Australia 108* has reached level 43 out of 101 levels.

The Group also made good progress for *AVANT*, a 56-storey residential skyscraper adorned with a distinctive façade of a weave-like pattern enfolding a shining glass tower. A topping out ceremony was held for *AVANT* in early February 2018 and by late February 2018, the Group notified purchasers of the 203 completed residential units occupying the first 30 storeys of *AVANT* that their units are ready to be handed over. With this handover, the Group expects to recognise revenue of up to A$104.8 million, subject to actual settlements.

Importantly, *AVANT*'s first stage handover marks a significant milestone for our Group as it also marks the first handover among World Class Global's portfolio of five property development projects across Australia, spanning Melbourne, Brisbane and Cairns.

Looking ahead, 2018 looks to be equally exciting. Three of the six stages in the construction of *Australia 108* are expected to be completed and the second stage handover of the remaining 241 apartment units at *AVANT*, which have been sold, is expected to be completed in the next six months, enabling the Group to recognise revenue of up to A$151.6 million, subject to actual settlements. More than 97% of the residential units of *AVANT* have been sold up to the date of this report, chalking up sales totalling A$256.4 million (approximately S$266.4 million).



***MACALLUM CENTRAL*, PENANG**
Artist's Impression

***BAHARI PARADE*, PENANG**
Artist's Impression

At the prevailing market prices, the Group expects to report a substantial profit from its ongoing property development projects in Australia. We are heartened to say that the expected receipt of sales proceeds arising from the completed residential units of *Australia 108* and *AVANT* will significantly strengthen the Group's equity, cash and debt positions in 2018.

At the same time, we will continue to market and sell residential and commercial units at *Nova City* Tower 1 in Cairns, Australia and we intend to launch a 92-storey residential project at Albert Street in Brisbane, Australia, which will be timed to coincide with conducive market and macroeconomic conditions.

In Penang, Malaysia, the Group has concluded the refurbishment, upgrading and building works for 13 properties, some of which comprise rows of conservation shophouses.

We firmly believe that a key measure of our success is the creation of value for our shareholders over the long term. As such, all of our decisions and the resultant strategic corporate direction that the Group takes, are based on this focus.

To conclude, I would like to take this opportunity to express my gratitude to our colleagues on the Board and our employees for their diligence and contributions during the year.

I would like to especially thank all shareholders who have been with us since our listing, for their support and loyalty. We also welcome new shareholders on board, as World Class Global maps out its growth plans over the long term, and strives towards its aspiration to be a world class developer.

MR. KOH WEE SENG
Non-Executive Chairman

Operating and Financial Review

As at the end of February 2018, World Class Global has locked in more than S$1.2 billion in sales revenue for its three residential property development projects in Australia launched by the Group, namely *Australia 108* (Melbourne), *AVANT* (Melbourne) and *Nova City* (Cairns).

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

Project	Type	Total Units	Launch Date	No. of Units Launched	% Sold Based on no. of Units Launched
Australia 108 (Melbourne)	Residential & Commercial	1,103	4Q2014	1,103	98
AVANT (Melbourne)	Residential & Commercial	456	2Q2015	456	97
Nova City Tower 1 (Cairns)	Residential & Commercial	187	4Q2016	101	37

Revenue from the sale of these development projects will only be realised when the residential units are completed and handed over to the purchasers, in view of a different accounting method applied to property development projects in Australia. The Group expects to progressively recognise revenue and profits from these projects from 2018 to 2020.

In view of the above, in FY2017, the Group did not record any revenue from the sale of development properties as none of its development projects were completed and handed over to purchasers during the year. Correspondingly, the Group recorded a loss before tax of S$9.7 million, as compared to S$6.8 million in the preceding financial year. This was mainly attributable to the increase in employee benefits, listing expenses in connection with the initial public offering of World Class Global ("**IPO**"), and higher holding costs incurred for properties held for sale in Malaysia.

The Group had taken into consideration net costs amounting to S$2.9 million for FY2017. These included the following:

- marketing and selling expenses of S$1.6 million primarily for the marketing of the remaining residential units of *Australia 108* and *AVANT* projects, as well as the marketing for Phase 1 of *Nova City* in Cairns;
- one-off listing expenses of S$1.7 million for the IPO;
- allowance for write-down of S$1.3 million for development properties in Malaysia and properties held for sale in Australia; and
- net foreign exchange gain of S$1.7 million.

Excluding the above items, the Group would have recorded a loss before tax of S$6.8 million in FY2017.

According to the latest construction schedules, the Group expects to complete the following in 2018:

- three out of the six stages of construction for *Australia 108*; and
- the completion of construction for *AVANT*.

The Group expects to book in more than S$700 million of sales proceeds from the aforementioned three projects when the completed residential units are handed over to the purchasers. Part of the sales proceeds will be utilised to pare down outstanding loans, as well as to fund the remaining construction and other development costs associated with the projects.

Consequently, the Group's financial standing will be significantly enhanced in 2018, with the completion and handover of the residential units.

***AUSTRALIA 108*, MELBOURNE**
Artist's Impression

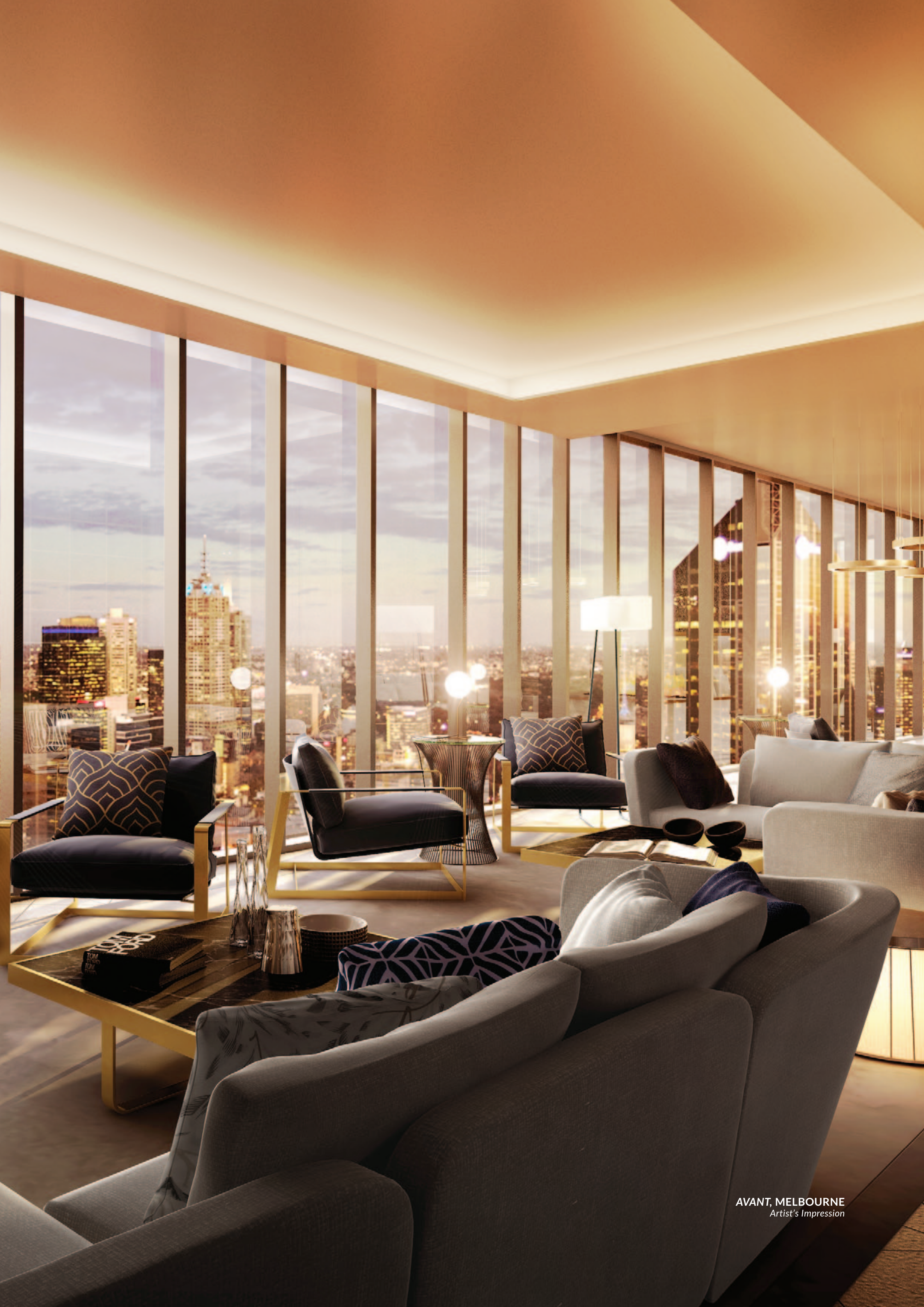
***NOVA CITY*, CAIRNS**
Artist's Impression

***AUSTRALIA 108*, MELBOURNE**
Artist's Impression

ROOTED IN STRENGTH

At World Class Global, our practices are constantly developed and perfected to heighten quality and sustainability, enabling us to build on our strengths and create value.

Over the years, we have exhibited resilience, prudence and foresight in our march forward, which have allowed us to capitalise on development prospects. By actively seeking new investment opportunities, we are able to continuously enhance our presence and pursue endeavours to synergise greater growth.



AVANT, MELBOURNE
Artist's Impression

Board of Directors

MR. KOH WEE SENG

Non-Executive Chairman

Mr. Koh is our Non-Executive Chairman and was appointed to the Board on 29 October 2013. Mr. Koh is the chief executive officer and executive director of Aspial Corporation Limited ("**Aspial**"), which is listed on the SGX-ST, and is responsible for the strategic planning, overall management and business development of Aspial and its subsidiaries (excluding our Group) (the **"Aspial Group"**).

Since late 1994, when the new management team, led by Mr. Koh, took over the reins, the Aspial Group has overcome the challenges posed by changing consumer demand by implementing wide-ranging and fundamental changes in its jewellery business. Mr. Koh has also successfully led the Aspial Group's diversification into property (in Singapore and other countries) and financial services. Mr. Koh is also the non-executive chairman of Maxi-Cash Financial Services Corporation Ltd ("**Maxi-Cash**") and AF Global Limited, both of which are listed on the SGX-ST.

Mr. Koh holds a Bachelor's degree in Business Administration from the National University of Singapore.

MS. KOH LEE HWEE

Non-Executive Director

Ms. Koh is our Non-Executive Director and was appointed to the Board on 29 October 2013. Ms. Koh is an executive director of Aspial and a non-executive director of Maxi-Cash. As an executive director of Aspial, Ms. Koh has executive responsibilities over the Singapore property business of Aspial, and assists in the jewellery business of the Aspial Group.

Ms. Koh was previously the chief executive officer of Maxi-Cash and was responsible for the strategic planning, overall management and business development of the Maxi-Cash group of companies. Prior to her appointment as the chief executive officer of Maxi-Cash, Ms. Koh was the vice president (manufacturing) of the Aspial Group, where she oversaw and spearheaded the growth of the manufacturing division and was responsible for the overall production plans, technology, management and development. Ms. Koh has more than 20 years of experience in the jewellery industry.

Ms. Koh holds a Bachelor of Arts degree from the National University of Singapore.

MR. NG SHENG TIONG

Executive Director and Chief Executive Officer

Mr. Ng is our Executive Director and Chief Executive Officer and was appointed to the Board on 29 October 2013. Mr. Ng is responsible for overseeing the overall management and development of our property development and property investment business.

Prior to his appointment as Chief Executive Officer of our Company, Mr. Ng was the vice president of the Aspial Group, where he headed the Aspial Group's property business, overseeing the strategic planning, overall management and business development of the property business. Mr. Ng has more than eight years of experience in the property industry. Before heading the property development business, Mr. Ng was the Aspial Group's Information Technology director.

Mr. Ng holds a Master of Business in Information Technology from the Royal Melbourne Institute of Technology.

MR. ONG TUEN SUAN

Lead Independent Director

Mr. Ong is our Lead Independent Director and was appointed to the Board on 1 June 2017. Mr. Ong has more than 20 years of working experience in finance and accounting.

Mr. Ong joined Neptune Orient Lines Limited ("**NOL**"), a company which was previously listed on the SGX-ST, in 1991 as an accountant and subsequently took on various finance and commercial leadership positions progressively within NOL. Over a 23-year career with NOL, Mr. Ong had been based in Singapore, United Arab Emirates and the United States of America, covering finance, compliance and control, financial planning and analysis, as well as commercial and operational activities. His last appointment in NOL was as the regional financial officer for the Americas, where he was responsible for, among others, the financial reporting, compliance and control, investment and divestment management and special projects support activities for the company's operations in the Americas. Mr. Ong left NOL in 2015 and is currently managing a consultancy practice covering management advisory services primarily for small and medium-sized enterprises in Singapore.

Mr. Ong graduated from Monash University with a Bachelor of Economics and is a Fellow of CPA Australia.

MR. YEOH SENG HUAT GEOFFREY

Independent Director

Mr. Yeoh is our Independent Director and was appointed to the Board on 1 June 2017. Mr. Yeoh has more than 30 years of working experience in finance.

Mr. Yeoh was working in the banking industry for 16 years until 1996; after which he took on senior management positions in certain companies which are listed on the SGX-ST until 2014. Mr. Yeoh is an independent director of Hoe Leong Corporation Limited and Global Testing Corporation Limited, both of which are listed on the SGX-ST.

Mr. Yeoh holds a Bachelor of Science (Economics) (First Class Honours) in Industry and Trade from the London School of Economics and Political Science and is a Fellow of the Association of Chartered Certified Accountants, United Kingdom.

MR. TAN SENG CHUAN

Independent Director

Mr. Tan is our Independent Director and was appointed to our Board on 1 June 2017. Mr. Tan has more than 35 years of working experience in civil, structural and environmental engineering. Mr. Tan is currently the managing director of TEMBUSU Asia Consulting Pte Ltd ("**TAC**"), where he is responsible for the TAC group's business strategy and development.

Prior to joining TAC in 2018, Mr. Tan was with Ramboll Environ Singapore Pte Ltd from 2015 to 2017 holding the position of regional managing director (Asia Pacific) and CH2M HILL Singapore from 2000 to 2015. His last position with CH2M HILL Singapore was as regional director (Asia Pacific) of the environmental services business group for CHM2M HILL Singapore Consulting Pte. Ltd., where he was responsible for the development and operation of the business in the Asia Pacific region. From 1988 to 2000, Mr. Tan was with Jurong Engineering Ltd, where he undertook several positions, including as assistant general manager of the design department, overseeing the operations, project execution and management. From 1983 to 1988, Mr. Tan was with Hock Chuan Ann Construction Pte Ltd, where he undertook several responsibilities including, amongst other things, project management.

Mr. Tan graduated with a Bachelor in Engineering (Civil) from the National University of Singapore and holds a Diploma in Building Science and a Masters in Science (Building Science), both from the National University of Singapore. Mr. Tan is a Professional Engineer registered with the Professional Engineers Board, Singapore, an Honorary Fellow of the Institution of Engineers, Singapore and an Honorary Fellow of the Institution of Engineers, Australia.

Key Management

MR. NG SHENG TIONG, *Executive Director and Chief Executive Officer*

Mr. Ng is our Executive Director and Chief Executive Officer and was appointed to the Board on 29 October 2013. Mr. Ng is responsible for overseeing the overall management and development of our property development and property investment business.

Please refer to the profile of Mr. Ng set out in the section entitled "Board of Directors" of this Annual Report for more information.

MR. YIP CHEE KWANG, *Chief Financial Officer and Joint Company Secretary*

Mr. Yip is the Chief Financial Officer of our Group. He is responsible for the overall accounting and finance functions of our Group.

Prior to his appointment as Chief Financial Officer, Mr. Yip was the finance director of the property development business of the Aspial Group and was responsible for the overall accounting and finance functions of the Aspial Group's property development business. Before joining the Aspial Group in 2007, Mr. Yip was a finance manager with Libra 2002 Pte Ltd. From 2004 to 2005, Mr. Yip was a manager (corporate accounting) with YHI Corporation Pte Ltd and from 2001 to 2004, he was an accountant with Matex International Limited. Prior to this, Mr. Yip was an audit senior and audit assistant with P G Wee Partnership LLP (formerly known as PG Wee & Partners), Singapore and Chew & Associates, Malaysia, respectively.

Mr. Yip holds a ACCA qualification from the Association of Chartered Certified Accountants, and is a non-practising member of the Institute of Singapore Chartered Accountants.

MR. CHOW KIM GHEE, *Senior Project Director*

Mr. Chow Kim Ghee is the Senior Project Director of our Group. He is responsible for managing and overseeing the development works of our projects.

Prior to his appointment as Senior Project Director of our Group, Mr. Chow was a senior project director of the property development business of the Aspial Group and was responsible for managing and overseeing development works of the Aspial Group's projects, assisting in execution of sales and marketing activities as well as contract negotiation and construction management. Before joining the Aspial Group in 2006, Mr. Chow was a partner with Quadfort Design and Construction Pte. Ltd. from 2004 to 2006 and a project manager with SLF Management Services Pte Ltd from 2000 to 2004. From 1997 to 1999, Mr. Chow was a project executive with C.J. Management and Development Pte Ltd.

Mr. Chow holds a Bachelor of Applied Science (Construction Management) with Honours from the Royal Melbourne Institute of Technology and a Master of Business Administration from Queen Margaret University.

MS. LAI GIN YEE, *Assistant Marketing Director*

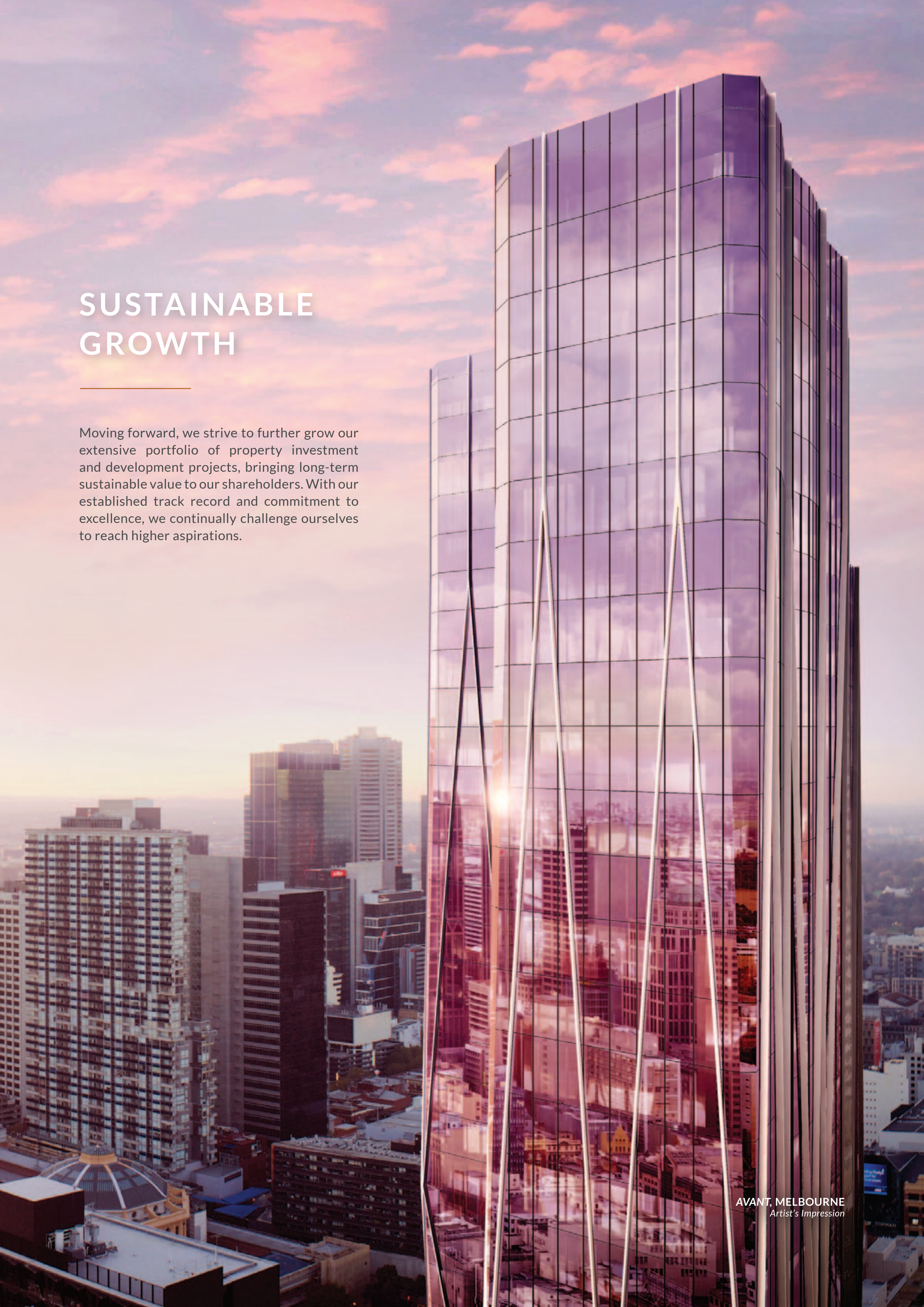
Ms. Lai Gin Yee is the Assistant Marketing Director of our Group. She is responsible for leading the sales and marketing team in developing sales and marketing strategies for our projects.

Prior to her appointment as Assistant Marketing Director, Ms. Lai was the assistant marketing director of the property development business of the Aspial Group and was responsible for leading the sales and marketing team in developing sales and marketing strategies for the Aspial Group's portfolio of residential and commercial properties. Before joining the Aspial Group in 2013, Ms. Lai was a senior marketing manager with Frasers Property Limited (formerly known as Frasers Corporation Limited) ("**Frasers**") from 2011 to 2013. From 2010 to 2011, Ms. Lai was an executive director of SLP International Property Consultants Pte Ltd and a director of ZACD Investments Pte Ltd (a subsidiary of SLP International Property Consultants Pte Ltd). In 2010, Ms. Lai was a consultant with Frasers. From 2004 to 2009, Ms. Lai was a senior marketing manager with Frasers. Prior to joining Frasers in 2004, Ms. Lai was a sales executive with Far East Organisation in 1995, a senior sales executive with Colliers Jardine (Singapore) Pte Ltd from 1995 to 2000, a sales manager with Chestertons International from 2000 to 2001 and a marketing manager with Sime Properties Limited from 2001 to 2002.

Ms. Lai holds a Bachelor degree with Honours in Science (Estate Management) from the National University of Singapore and a Post-graduate Certificate in Business Administration from the University of Leicester.

SUSTAINABLE GROWTH

Moving forward, we strive to further grow our extensive portfolio of property investment and development projects, bringing long-term sustainable value to our shareholders. With our established track record and commitment to excellence, we continually challenge ourselves to reach higher aspirations.



AVANT, MELBOURNE
Artist's Impression

Corporate Information

BOARD OF DIRECTORS

Mr. Koh Wee Seng
Non-Executive Chairman

Ms. Koh Lee Hwee
Non-Executive Director

Mr. Ng Sheng Tiong
Executive Director
and Chief Executive Officer

Mr. Ong Tuen Suan
Lead Independent Director

Mr. Yeoh Seng Huat Geoffrey
Independent Director

Mr. Tan Seng Chuan
Independent Director

COMPANY SECRETARIES

Mr. Lim Swee Ann *(CPA, ACIS)*
Mr. Yip Chee Kwang *(CA)*

REGISTERED OFFICE

8 Robinson Road
#03-00 ASO Building
Singapore 048544
Tel: +65 6850 0188
Fax: +65 6841 7905

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

SPONSOR

ZICO Capital Pte. Ltd.
8 Robinson Road
#09-00 ASO Building
Singapore 048544

AUDITOR

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

Partner-in-charge: Mr. Max Loh Khum Whai
(Chartered Accountant, a member of the
Institute of Singapore Chartered Accountant)
(Since the financial year ended
31 December 2017)

PRINCIPAL BANKERS

United Overseas Bank Limited
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited

Corporate Governance Report

The board of directors (the "**Board**" or the "**Directors**") of World Class Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to observing and maintaining high standards of corporate governance within the Company and the Group by complying with the principles and guidelines as set out in the Code of Corporate Governance 2012 (the "**Code**"). This Corporate Governance Report describes the Group's ongoing efforts since 15 June 2017, being the date of the initial public offering (the "**IPO**") of the Company's shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), to 31 December 2017, in keeping pace with the evolving corporate governance practices and complying with the Code pursuant to Rule 710 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the Companies Act (Chapter 50 of Singapore) ("**Companies Act**") and the Audit Committee Guidance Committee Guidebook, focusing on areas such as internal controls, risk management, financial reporting, internal and external audit.

The Board is pleased to report that the Company has complied with the Code for the financial year ended 31 December 2017 ("**FY2017**"), except where otherwise explained. In areas where there are deviations from the Code, appropriate explanations are provided and the Company will continue to assess its needs and implement appropriate measures accordingly.

BOARD MATTERS (Principles 1, 2 and 3)

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

THE BOARD'S CONDUCT OF ITS AFFAIRS

The Board's role is to:

- provide entrepreneurial leadership, set strategic directions, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed;
- review the performance of the management of the Company (the "**Management**"); and
- set the Group's corporate values and ensure that obligations to shareholders of the Company (the "**Shareholders**") and other stakeholders are understood and met.

The Company has adopted internal guidelines setting forth matters that require the Board's approval and clear directions have also been given to the Management that the following matters, amongst others, must be approved by the Board under such guidelines:

- Quarterly and full year results announcements;
- Annual reports (including Directors' statements) and financial statements for each financial year;
- Declaration of interim dividends and proposal for final dividends;
- Convening of Shareholders' meetings;

THE BOARD'S CONDUCT OF ITS AFFAIRS (continued)

- Appointment and remuneration packages, as well as cessation of Directors and key management personnel;
- Authorisation of fund-raising activities;
- Authorisation of merger and acquisition transactions; and
- Authorisation of major transactions.

While matters relating to the Group's strategies and policies require the Board's direction and approval, the Management is responsible for the day-to-day operations and administration of the Group.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The Board has, without abdicating its responsibilities, delegated certain matters to specialised committees of the Board. These committees include the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**"), the Conflicts Resolution Committee (the "**CRC**") and the Remuneration Committee (the "**RC**") (collectively, the "**Board Committees**"). The Board Committees assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively. The majority of the members of the Board Committees, including the Chairman, are independent. The Board Committees function within clearly defined terms of references and operating procedures. The effectiveness of the Board is also reviewed by the Board on an annual basis.

Since the IPO and during FY2017, the Board has met two (2) times. The Board will meet on a quarterly basis as warranted. Ad hoc meetings may also be convened to discuss and deliberate on urgent substantive matters or issues, as and when necessary. The Constitution of the Company provides for the Board and the Board Committees to convene meetings via telephone conferencing and video conferencing. The details of the number of Board and Board Committees meetings held in FY2017 and the attendance of each Director at those meetings are disclosed below:

	Board		Audit Committee		Nominating Committee		Conflicts Resolution Committee		Remuneration Committee	
Name of Director	**No. of meeting held**	**No. of meeting attended**	**No. of meeting held**	**No. of meeting attended**	**No. of meeting held**	**No. of meeting attended**	**No. of meeting held**	**No. of meeting attended**	**No. of meeting held**	**No. of meeting attended**
Koh Wee Seng	2	2	2	2	1	1	1	1	1	1
Ng Sheng Tiong	2	2	2	2	1	1	1	1	1	1
Koh Lee Hwee	2	2	2	2	1	1	1	1	1	1
Ong Tuen Suan	2	2	2	2	1	1	1	1	1	1
Yeoh Seng Huat Geoffrey	2	2	2	2	1	1	1	1	1	1
Tan Seng Chuan	2	2	2	2	1	1	1	1	1	1

While the Board considers Directors' attendance at Board meetings important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodical reviews and the provision of guidance and advice on various matters relating to the Group.

Upon appointment of a new Director, the Company will provide a formal letter to the Director setting out, amongst others, his duties and obligations. Newly appointed Directors will be briefed on the Group's business, its strategic directions and corporate governance policies. Familiarisation visits can be organised, if necessary, to facilitate a better understanding of the Group's business operations. For new appointed Directors who do not have prior experience as a director of a public listed company in Singapore, they will attend training courses organised by the Singapore Institute of Directors or other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties, and such training will be funded by the Company. Since the IPO and during FY2017, no new Director was appointed to the Board.

THE BOARD'S CONDUCT OF ITS AFFAIRS (continued)

Regular training, particularly on risk management, corporate governance and key changes in the relevant regulatory requirements and financial reporting standards, will be arranged and funded by the Company for all Directors, from time to time. Since the IPO and during FY2017, Directors are provided with briefings and updates on (i) the developments in financial reporting and governance standards by the Company's external auditors, Ernst & Young LLP; and (ii) changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board Committee meetings, so as to enable them to make well-informed decisions and to properly discharge their duties as Board or Board Committee members.

As at 31 December 2017, the composition of the Board is as follows:

Name of Director	Appointment Position	First Appointment Date	Length of Service	Board Committee(s) served on	Directorships or chairmanships both present and past held over the last three (3) years in other listed companies	Academic and professional qualifications/ experience
Koh Wee Seng[(1)]	Non-Executive Chairman	29 October 2013	4 years 5 months	- Nominating Committee - Remuneration Committee	- Aspial Corporation Limited - AF Global Limited - Maxi-Cash Financial Services Corporation Ltd	Bachelor of Business Administration, National University of Singapore
Ng Sheng Tiong[(2)]	Executive Director and CEO	29 October 2013	4 years 5 months	Nil	Nil	Master of Business in Information Technology, Royal Melbourne Institute of Technology
Koh Lee Hwee[(1)]	Non-Executive Director	29 October 2013	4 years 5 months	Audit Committee	- Aspial Corporation Limited - Maxi-Cash Financial Services Corporation Ltd	Bachelor of Arts, National University of Singapore
Ong Tuen Suan	Lead Independent Director	1 June 2017	9 months	- Audit Committee - Nominating Committee - Remuneration Committee - Conflicts Resolution Committee	Nil	- Bachelor of Economics, Monash University - Fellow, CPA Australia

THE BOARD'S CONDUCT OF ITS AFFAIRS (continued)

Name of Director	Appointment Position	Appointment Date	Length of Service	Board Committee(s) served on	Directorships or chairmanships both present and past held over the last three (3) years in other listed companies	Academic and professional qualifications/ experience
Yeoh Seng Huat Geoffrey	Independent Director	1 June 2017	9 months	- Audit Committee - Nominating Committee - Remuneration Committee - Conflicts Resolution Committee	- Hoe Leong Corporation Limited - Global Testing Corporation Limited	- Bachelor of Science (Economics) in Industry and Trade, London School of Economics and Political Science - Fellow, Association of Chartered Certified Accountants, United Kingdom
Tan Seng Chuan	Independent Director	1 June 2017	9 Months	- Audit Committee - Nominating Committee - Remuneration Committee - Conflicts Resolution Committee	Nil	- Bachelor in Engineering (Civil), National University of Singapore - Honorary Fellow, Institution of Engineers, Australia and Singapore

Notes:

(1) Mr Koh Wee Seng and Ms Koh Lee Hwee are siblings.

(2) Mr Ng Sheng Tiong is the husband of Ms Koh Lee Hwee and the brother-in-law of Mr Koh Wee Seng.

The Board has considered the present Board size of six (6) members and is satisfied that the current size facilitates effective decision-making, after taking into account the nature and scope of the Group's operations, as well as the wide spectrum of skills and knowledge of the Directors.

In identifying the need for any new Director, the Board's primary consideration is to ensure that the Board consists of an appropriate mix of members with complementary skills, core competencies and experience that could contribute effectively to the Group, regardless of gender.

To maintain or enhance the balance and diversity of the Board, the Board's composition is reviewed by the NC to ensure that the Board has the appropriate mix of expertise and experience. The NC is of the view that the current Board comprises persons whose diverse skills, experience and knowledge to the Company and provides a diversity of gender with one (1) female Director who is a Non-Executive Director. The Board members also collectively possess the necessary core competencies such as accounting, finance, investment, business and management experience, corporate governance, industry knowledge and strategic planning experience for the effective functioning of the Board and an informed decision-making process.

THE BOARD'S CONDUCT OF ITS AFFAIRS (continued)

The roles of the Chairman and the Chief Executive Officer ("**CEO**") are separate and distinct, each having their own areas of responsibilities.

The responsibilities of the Chairman include:

- leading the Board to ensure its effectiveness;
- setting agenda for Board meetings and ensuring adequate time for discussion;
- promoting openness and discussion during Board meetings;
- ensuring that Directors receive complete, adequate and timely information;
- ensuring effective communication with Shareholders;
- encouraging constructive relations within the Board and between the Board and the Management;
- facilitating effective contributions of the Non-Executive Directors; and
- promoting high standards of corporate governance.

The Company believes that a distinctive separation of responsibilities between the Chairman and the CEO will ensure an appropriate balance of power, increased accountability and greater capacity for the Board to exercise independent decision-making. Since the IPO, the positions of the Chairman and the CEO are held by Mr Koh Wee Seng and Mr Ng Sheng Tiong respectively. Mr Ng Sheng Tiong is the brother-in-law of Mr Koh Wee Seng.

Notwithstanding that the Chairman and the CEO are related to each other, as the Independent Directors make up half of the Board and the majority of each of the Board Committees, the Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or small group of individuals exercising any considerable concentration of power or influence.

Lead Independent Director

For good corporate governance, the Board has appointed Mr Ong Tuen Suan as the Lead Independent Director of the Company to address the concerns of Shareholders and employees in the event that interactions with the Non-Executive Chairman, CEO or Chief Financial Officer ("**CFO**") cannot satisfactorily resolve their concerns or where such channel of communications is considered inappropriate. The Lead Independent Director also assists the Board in ensuring effective corporate governance in managing the affairs of the Board and the Company. Where necessary, the Lead Independent Director, together with the other Independent Directors, will meet without the presence of the other non-Independent Directors, and the Lead Independent Director will provide feedback to the Chairman, if it is necessary.

The Independent Directors have the necessary experience and expertise to assist the Board in decision-making and provide greater balance to the Board as they do not participate in the day-to-day running of the Group. The Non-Executive Directors may challenge and help develop proposals on strategy, review the performance of and to extend guidance to the Management. Non-Executive Directors have been actively participating in discussions and decision-making at the Board and the Board Committees meetings, and had open discussions with the Management. Where necessary, the Non-Executive Directors meet and discuss on the Group's affairs without the presence of the Management.

There is a strong and independent element on the Board. The Board currently comprises six (6) Directors, three (3) of whom are Independent Directors. Accordingly, the Board has satisfied the requirement for Independent Directors to make up at least half of the Board where the Chairman is not an Independent Director (Guideline 2.2 of the Code). There is no alternate Director on the Board.

The Independent Directors have confirmed that they do not have any relationship with the Company, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company. None of the Independent Directors has served on the Board beyond nine (9) years from the date of his first appointment.

THE BOARD'S CONDUCT OF ITS AFFAIRS (continued)

The independence of each Director will be reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an Independent Director in its review. The NC has reviewed and determined that Mr Ong Tuen Suan, Mr Yeoh Seng Huat Geoffrey, and Mr Tan Seng Chuan are independent.

BOARD MEMBERSHIP & PERFORMANCE (Principles 4 and 5)

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees, and the contribution by each director to the effectiveness of the Board.

NOMINATING COMMITTEE

The NC comprises four (4) Directors, all of whom are Non-Executive Directors, and a majority of whom, including the NC Chairman, are independent. The members of the NC are as follows:

Ong Tuen Suan	Chairman	Lead Independent Director
Yeoh Seng Huat Geoffrey	Member	Independent Director
Tan Seng Chuan	Member	Independent Director
Koh Wee Seng	Member	Non-Executive Director

The NC will meet at least once a year. Since the IPO and in FY2017, the NC has met once.

The NC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- recommending to the Board on Board appointments, including re-nominations of existing Directors for re-election in accordance with the Constitution of the Company, taking into account the Director's contribution and performance;
- reviewing and approving any new employment of persons related to the Directors and/or controlling Shareholder and proposed terms of their employment;
- determining on an annual basis whether or not a Director of the Company is independent;
- in respect of a Director who has multiple board representations on various companies, if any, reviewing and deciding whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;
- reviewing of potential conflicts of interests arising from multiple board representations of a Director;
- deciding whether or not a Director is able to and has been adequately carrying out his duties as a director;
- developing a process for evaluation of the performance of the Board, the Board Committees and the Directors and proposing objective performance criteria, as approved by the Board that allows comparison with its industry peers, and addressing how the Board has enhanced long-term Shareholders' value;
- assessing the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board; and
- reviewing the size and composition of the Board with the objective of achieving a balanced Board in terms of the mix of experience and expertise and make recommendations to the Board with regard to any changes.

NOMINATING COMMITTEE (continued)

In its selection of new Directors, the NC reviews the composition of the Board and identifies the skill sets which will enhance the Board's overall effectiveness. Potential candidates are identified from various sources. The Board conducts an initial assessment to review the candidate's qualifications, attributes and past experience followed by interviewing short-listed candidates. The proposed candidate's independence, expertise, background and right skills will be considered before the Board makes its final decision on the appointment. For re-appointment of existing Directors to the Board, the Board will take into consideration, amongst others, the Director's integrity, competencies, independence, commitment, contribution and performance (such as attendance, participation, preparedness and candour).

The NC determines the criteria on which Board performance is to be evaluated and, subject to the approval of the Board, proposes objective performance criteria which address how the Board has enhanced long-term Shareholders' value.

The Board has implemented a formal annual process to be carried out by the NC to assess the effectiveness of the Board as a whole and its Board Committees. For FY2017, the Directors participated in the evaluation by providing feedback to the NC in the form of completing a Board Performance Evaluation checklist which covers several parameters such as Board composition, conduct of meetings, Board process, Board accountability, risk management and internal control, measuring and monitoring performance as well as communication with Shareholders. To ensure confidentiality, the evaluation checklists completed by the Directors were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review and discussion. The NC has reported to the Board on its review of the performance and the effectiveness of the Board as a whole and its Board Committees for the financial year. The NC has reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year and is of the view that the performance of the Board as a whole has been satisfactory.

As the Company has been listed for less than a year, the NC is of the view that the assessment of the contribution of each individual Director to the effectiveness of the Board pursuant to Guideline 5.1 of the Code would be more meaningful if carried out from the financial year ending 31 December 2018 onwards, being a full financial year.

Directors' Time Commitments & Multiple Board Representations

As the ability to commit time and attention to the Group's affairs is essential for the individual Director's contribution and performance, the Board has considered the number of listed directorship each of its Directors can hold after taking into considerations factors such as the expected and/or competing time commitments of the Directors, the size and composition of the Board as well as the nature and scope of the Group's operations and size. As a guide, Directors should not have more than six (6) listed company board representations.

The NC has reviewed and is satisfied that in FY2017, where Directors had other listed company board representations, the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately carry out their duties as Directors of the Company.

The NC will continue to review formal assessment processes for evaluating the performance of the Board and its Board Committees, as well as the contribution of each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director.

Re-nomination of Directors

Article 97 of the Company's Constitution provides that at least one-third of its Directors shall retire from office and are subject to re-election at every Annual General Meeting of the Company ("**AGM**"). In addition, Article 103 of the Company's Constitution provides that a newly appointed Director must retire and submit himself for re-election at the next AGM following his appointment. This will enable all Shareholders to exercise their rights in selecting all the Board members of the Company.

NOMINATING COMMITTEE (continued)

The NC has reviewed and is satisfied that the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM are properly qualified for re-appointment by virtue of their skills, experience and contributions.

The NC has recommended to the Board that the following Directors be nominated for re-election as Directors, at the forthcoming AGM:

(1) Mr Ng Sheng Tiong who is retiring pursuant to Article 97 of the Company's Constitution; and

(2) Mr Ong Tuen Suan, Mr Yeoh Seng Huat Geoffrey and Mr Tan Seng Chuan who are retiring pursuant to Article 103 of the Company's Constitution.

Please refer to pages 8 and 9 of this Annual Report for more information on the abovementioned Directors. The abovementioned re-appointments shall be subject to Shareholders' approval at the forthcoming AGM.

The NC also determines, on an annual basis, the independence of Directors. For FY2017, the NC has assessed and affirmed the status of each Director as follows:

Koh Wee Seng	Non-Independent
Ng Sheng Tiong	Non-Independent
Koh Lee Hwee	Non-Independent
Ong Tuen Suan	Independent
Yeoh Seng Huat Geoffrey	Independent
Tan Seng Chuan	Independent

The key information of the Directors, including their appointment dates, directorships held in other listed companies in the past three (3) years and their principal commitments, are set out on pages 8, 9, 15 and 16 of this Annual Report.

ACCESS TO INFORMATION (Principle 6)

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To enable the Board to fulfill its responsibilities, the Management provides the Board with management reports on a regular and timely basis, with relevant and adequate information prior to the Board meetings. Prior to each Board meeting, the Board is provided with the relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues. During each Board meeting, progress reports of the Group's business operations are also presented to the Board by the Management. The Board also has separate and independent access to the Company Secretary and the Management.

The Company Secretary attends all Board meetings and ensures that Board procedures are followed. The Company Secretary also ensures that the requirements under the Companies Act and all regulations of the SGX-ST are complied with.

The appointment and removal of the Company Secretary is a matter for consideration for the Board as a whole.

In the furtherance of their duties, the Directors, whether individually or as a group, may obtain professional advice and assistance from the Company Secretary or independent professionals, if necessary, and the cost of such advice and assistance will be borne by the Company.

REMUNERATION MATTERS (Principles 7, 8 and 9)

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Principle 8: The level and structure of remuneration should be aligned with the long–term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

REMUNERATION COMMITTEE

The RC comprises four (4) Directors, all of whom are Non-Executive Directors, and a majority of whom, including the RC Chairman, are independent. The members of the RC are as follows:

Tan Seng Chuan	Chairman	Independent Director
Ong Tuen Suan	Member	Lead Independent Director
Yeoh Seng Huat Geoffrey	Member	Independent Director
Koh Wee Seng	Member	Non-Executive Director

The RC will meet at least once a year. Since the IPO and in FY2017, the RC has met once.

The RC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- reviewing and recommending to the Board a framework of remuneration policies to determine the specific remuneration packages and terms of employment for each of the Directors (including the CEO), key management personnel and any other employees related to the Directors and controlling Shareholders;
- ensuring all aspects of remuneration including, but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered;
- ensuring proper disclosure of the Company's remuneration policies, level and mix of remuneration and the procedure for setting remuneration, in the Company's annual report; and
- reviewing and determining the contents of any service agreement for any Directors or key management personnel.

The RC ensures that a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors and key management executives. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and other benefits-in-kind are reviewed by the RC. The recommendations of the RC are submitted for endorsement by the Board. Each member of the RC and the Board abstains from voting on any resolutions in respect of his remuneration package.

The remuneration of related employees will be reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he will abstain from participating in the review.

REMUNERATION COMMITTEE (continued)

No remuneration consultants were engaged by the Company in FY2017. The RC will engage professional advice in relation to remuneration matters as and when the need arises. The RC will ensure that existing relationships between the Company and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the remuneration consultants. Where remuneration consultants are appointed, the Company will disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the Company.

The Company's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise.

The Executive Director does not receive Directors' fees but is remunerated as a member of the Management. The remuneration package of each of the Executive Director and the key management personnel comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. The performance-related component of the remuneration package is designed to align the interests of the Executive Director and the key management personnel with those of Shareholders and link rewards to the Group's financial performance. Service agreements for the Executive Director and the key management personnel are for a fixed appointment period and do not contain onerous removal clauses. The RC reviews the fairness and reasonableness of termination clauses of the service agreements of the Executive Director and the key management personnel to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance.

There were no termination or retirement benefits and post-employment benefits that are granted to the Executive Director and key management personnel in FY2017. The Company does not intend to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself of remedies against the Executive Director in the event of such breach of fiduciary duties.

The Independent Directors and the Non-Executive Directors do not have any service agreement with the Company. They are paid fixed Directors' fees appropriate to their level of contribution, taking into account factors such as effort and time spent, and their responsibilities on the Board and Board Committees. They do not receive any other form of remuneration from the Company. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM.

Service Agreement

The Company has entered into a service agreement ("**Agreement**") with Mr Ng Sheng Tiong on 1 March 2017 ("**Commencement Date**") in regard to his employment as an Executive Director and CEO of the Company. The Agreement is for a term of two (2) years from the Commencement Date, and is thereafter renewable automatically for a period of two (2) years (or such shorter periods as Mr Ng Sheng Tiong and the Company may agree) for each subsequent term on such terms which shall be subject to the review by the Board and the RC, such renewal being subject to the confirmation of the Board at least three (3) months before the renewal date. Under the terms of the Agreement, either party may terminate the Agreement by giving to the other party not less than six (6) months' written notice, or in lieu of such notice an amount equal to six (6) months' salary.

The Company has not adopted any employees' share option scheme or performance share plan.

The Board has not included a separate annual remuneration report to Shareholders in this Annual Report on the remuneration of the Directors and the top three (3) key management personnel (who are not Directors or the CEO) as the Board is of the view that the matters which are required to be disclosed in such annual remuneration report have already been sufficiently disclosed in this Annual Report and in the financial statements of the Company.

REMUNERATION COMMITTEE (continued)

The Board has reviewed the disclosure of the remuneration of the Directors and the key management personnel and has decided not to fully disclose their remuneration and the names of the key management personnel as the Board believes that the disclosure may be prejudicial to its businesses given the competitive business environment and the disadvantages that it may bring.

Remuneration of Directors

A breakdown showing the level and mix of the remuneration of each individual Director for FY2017 is set out below:

Remuneration bands	Director	Salary[1] (%)	Bonus, performance bonus (%)	Directors' fees[2] (%)
Directors Between S$1,750,000 and S$2,000,000	Ng Sheng Tiong	15.66	84.34	–
S$250,000 and below	Koh Wee Seng	–	–	100.00
	Koh Lee Hwee	–	–	100.00
	Ong Tuen Suan	–	–	100.00
	Yeoh Seng Huat Geoffrey	–	–	100.00
	Tan Seng Chuan	–	–	100.00

Notes:

(1) Salary is inclusive of salary, allowances and Central Provident Fund contributions.

(2) Directors' fees are subject to the approval of Shareholders at the forthcoming AGM.

Remuneration of Key Management Personnel (who are not Directors or the CEO)

The Group has only three (3) key management personnel (who are not Directors or the CEO) during FY2017. The remuneration of the three (3) key management personnel comprises fixed component and variable component. Fixed component is in the form of fixed salary whereas variable component is linked to the performance of the Group's business and individual performance.

The remuneration of the top three (3) key management personnel for FY2017 is as follows:

Between S$250,000 and S$500,000 : 1

S$250,000 and below : 2

The total remuneration paid to the aforesaid three (3) key management personnel (who are not Directors or the CEO) for FY2017 was approximately S$686,000.

Remuneration of Employees who are Immediate Family Members of a Director or the CEO

Save for Mr Koh Wee Seng (Non-Executive Chairman) and Ms Koh Lee Hwee (Non-Executive Director) who are siblings, as well as Mr Ng Sheng Tiong (Executive Director and CEO), who is the husband of Ms Koh Lee Hwee and brother-in-law of Mr Koh Wee Seng, there is no employee of the Group who is an immediate family member of a Director or the CEO and was paid more than S$50,000 during FY2017.

RISK MANAGEMENT AND INTERNAL CONTROLS (Principle 11)

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is responsible for the governance of risk and ensures that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Company's internal control systems serve as the key in identifying and managing risks that are significant to the achievement of its business objectives. The process of risk management has been integrated into the Group's business planning and monitoring process. The Company regularly reviews the Group's business and operational activities to identify areas of significant business risks. Appropriate measures are taken to assess, control and mitigate these risks.

The AC reviews with the Company's external auditors, as part of their statutory audit, the adequacy and effectiveness of the Group's internal controls relevant to the preparation of financial statements.

The internal audit function of the Group performs risk assessment and conducts review on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews and endorses the internal audit plan and internal audit reports of the Group.

The internal control systems maintained by the Management throughout the year and up to the date of this report, provides reasonable, but not absolute, assurance against material financial misstatements or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. The adequacy and effectiveness of the Group's risk management and internal control systems and procedures will be reviewed by the AC annually.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective as at 31 December 2017.

The Board has also received assurance from the CEO and the CFO that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) they have evaluated the effectiveness of the Group's risk management and internal control systems and assessed the internal auditors' reports on the Group's operations and external auditors' report on the financial statements and management letter and noted that there have been no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise or report financial information.

AUDIT COMMITTEE (Principle 12)

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises four (4) Directors, all of whom are Non-Executive Directors, and a majority of whom, including the AC Chairman, are independent and have accounting related or financial management experience. The members of the AC are as follows:

Yeoh Seng Huat Geoffrey	Chairman	Independent Director
Ong Tuen Suan	Member	Lead Independent Director
Tan Seng Chuan	Member	Independent Director
Koh Lee Hwee	Member	Non-Executive Director

The AC will meet on a quarterly basis during the year. Since the IPO and in FY2017, the AC has met twice.

The AC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- assisting the Board in the discharge of its responsibilities on financial and reporting matters;
- reviewing, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the Management's response, and results of the audits compiled by the internal and external auditors;
- reviewing the quarterly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/ regulatory requirements;
- reviewing the effectiveness and adequacy of the Group's internal control and procedures addressing financial, operational, compliance and information technology risks, and ensure coordination between the internal and external auditors, and the Management, reviewing the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external auditors may wish to discuss (in the absence of the Management where necessary);
- reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;
- reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- making recommendations to the Board on the proposals to Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- reviewing significant financial reporting issues and judgements with the CFO and the external auditors so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board;
- reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's internal controls with the CFO and the internal and external auditors, including the financial, operational, compliance and information technology controls as well as the risk management systems via reviews carried out by the internal auditors;

AUDIT COMMITTEE (Principle 12) (continued)

- reviewing and approving transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);

- reviewing reports prepared by the internal auditors on compliance with the guidelines and procedures for interested person transactions;

- based on the computation prepared by the CFO on a quarterly basis for (i) the ratio of the sum of the values of the Company's Australian land assets and of each of its subsidiaries against the sum of the values of the total assets of the Group on a quarterly basis (the "**Ratio**"); (ii) the value of the Group's gross Australian assets to determine if the Group is a Offshore Corporation (as defined in the Company's IPO offer document dated 6 June 2017) (the "**OC Value**"); and (iii) the value of each of the Group's Australian subsidiaries' gross Australian assets to determine if each of the Group's Australian subsidiaries is a Prescribed Australian Entity (as defined in the Company's IPO offer document dated 6 June 2017) (the "**PAE Value**"), (a) review the Ratio, the OC Value and the PAE Value; (b) ensure that the Group will disclose whether the Group is an Australian Land Corporation (as defined in the Company's IPO offer document dated 6 June 2017) and/or a Offshore Corporation and/or each of the Group's Australian subsidiaries is a Prescribed Australian Entity when the Group releases periodic announcements of the Group's financial statements and to include in the Group's annual reports, a statement of whether the Group is an Australian Land Corporation and/or a Offshore Corporation and/or each of the Group's Australian subsidiaries is a Prescribed Australian Entity, based on the Group's Australian land assets or gross Australian assets (as the case may be) at the end of the relevant financial year; and (c) review the relevant requirements of the Foreign Investment Review Board and applicable laws under the FATA (as defined in the Company's IPO offer document dated 6 June 2017) that are relevant to the Company;

- reviewing (where necessary and appropriate) any potential conflicts of interest and set out a framework to resolve or mitigate any potential conflicts of interests (if any), and to propose additional measures where appropriate;

- reviewing on a periodic basis the framework and processes established by the Group for entry into joint ventures with the Aspial Group on projects outside Australia, Indonesia, Malaysia, New Zealand and the Philippines;

- reviewing and approving, with input from the Management, whether the Company is in a position to make any repayments under the Fixed Loan Agreement (as defined in the Company's IPO offer document dated 6 June 2017) prior to the Maturity Date (as defined in the Company's IPO offer document dated 6 June 2017);

- reviewing all hedging policies and instruments (if any) to be implemented by the Group for approval by the Board;

- undertaking such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

- reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, amongst others, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and

- generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The AC has explicit authority to investigate any matter within its terms of reference and has been given full access to and co-operation by the Management and reasonable resources to enable it to discharge its function properly. The AC has full discretion to invite any Director or key management personnel to attend its meetings.

AUDIT COMMITTEE (Principle 12) (continued)

The AC is guided by its terms of reference which stipulate its principal functions. In performing its functions, the AC meets regularly with the Management and the external auditors to review auditing and risk management matters and discuss accounting implications of any major transactions including significant financial reporting issues. It also reviews the internal audit function of the Group to ensure that an effective system of control is maintained in the Group. The AC has full access to the external auditors and the internal auditors and has met with them at least once during FY2017 without the presence of the Management. On a quarterly basis, the AC also reviews the interested person transactions and the financial results announcements before their submission to the Board for approval. The AC is kept abreast by the Management and the external auditors of changes to accounting standards, the Catalist Rules and other regulations which could have an impact on the Group's business and financial statements.

Since the IPO and as at the date of this report, the AC carried out its functions which includes, amongst others, the following:

- reviewed the quarterly and full year financial statements announcements of the Group, and recommended to the Board for approval and release via the SGXNet;

- reviewed interested persons transactions of the Group;

- reviewed the internal and external audit plans, including the nature and scope of work before commencement of these audits;

- met up with the Group's internal and external auditors during the year under review without the presence of Management to discuss their findings set out in their respective reports to the AC. Both the internal and external auditors had confirmed that they had access to and received full cooperation and assistance form Management and no restrictions were placed on the scope of auditors;

- reviewed and approved the consolidated statement of comprehensive income, statements of financial position, statements of changes in equity, consolidated cash flows and auditors' reports;

- reviewed the Ratio, the OC Value and the PAE Value on a quarterly basis;

- reviewed the effectiveness of the Group's internal audit function;

- review the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems; and

- conducted a review of the non-audit services provided by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors as well as the cost effectiveness of the audit before confirming their re-nomination.

In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant matter impacting the financial statements was discussed with the Management and the external auditors, and was reviewed by the AC:

Matter considered	**How the AC reviewed this matter and what decisions were made**
Carrying values of development properties and properties held for sale	The AC considered the suitability of the external valuers that were used and reviewed the outcomes of the valuation process. The AC considered the findings of the external auditors, including their assessment of the appropriateness of valuation method and certain key assumptions used in the valuation.

AUDIT COMMITTEE (Principle 12) (continued)

External Auditors

The Company has engaged Ernst & Young LLP as its external auditors, to audit the accounts of the Company. The report of the external auditors is set out in the Independent Auditor's Report section of this Annual Report.

The AC has undertaken a review of all the non-audit services provided by the external auditors for FY2017 which related to tax compliance services and the IPO of the Company, and they would not, in the AC's opinion, affect the independence and objectivity of the external auditors. The external auditors have also confirmed their independence in this respect.

The total fees of S$223,000 paid/payable to the external auditors for FY2017 were approved by the Board and it comprises:

Audit fees	S$160,000
Non-audit fees	S$63,000

After considering the adequacy of the resources and experience of the external auditors' firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group and the number and experience of supervisory and professional staff assigned to the particular audit, the AC has recommended to the Board the nomination and re-appointment of Ernst & Young LLP as the external auditors for the Company's audit obligations for the financial year ending 31 December 2018, at the forthcoming AGM.

The Company has complied with Rules 712 and 715 of the Catalist Rules in appointing the audit firms for the Group. No former partner or director of the Company's existing audit firm is a member of the AC.

The Company has adopted a whistle blowing policy, endorsed by the AC, where employees of the Group may in confidence, raise concerns about wrongdoing or malpractice within the Group and ensure arrangements are in place for the independent investigations of such matters and for appropriate follow up actions. No such whistle-blowing letter was received in FY2017.

INTERNAL AUDIT (Principle 13)

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal audit function of the Group is conducted by the internal audit team of the Company. The internal audit team performs risk assessment and conducts the review of the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems. The internal auditors report primarily to the AC on internal audit matters and the AC is empowered to review any of the accounting, auditing and financial practices of the Company and the Group. The internal auditors assist the AC in ensuring that the Company maintains a sound system of internal controls and risk management through regular monitoring of key controls and procedures and ensuring their adequacy and effectiveness, undertaking investigations as directed by the AC, and conducting regular audits of high-risk areas. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including unrestricted direct access to the AC on internal audit matters. The AC reviews and endorses the internal audit plan and internal audit reports of the Group. Any material non-compliance or failures in the internal audit function and recommendations for improvements are reported to the AC.

The internal audit function is independent of the activities it audits and carries out its activities in compliance with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

INTERNAL AUDIT (Principle 13) (continued)

The Board and the AC are of the opinion that the internal audit function is sufficiently resourced and internal audits are performed by competent professional staff with the relevant qualifications and experience. The AC will review annually the adequacy and effectiveness of the internal audit function. The AC will also approve the appointment, removal, evaluation and compensation of the head of the internal audit function.

ACCOUNTING AND COMMUNICATION WITH SHAREHOLDERS (Principles 10, 14 and 15)

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Board is mindful of the obligation to provide timely and fair disclosure of material information. The Board is accountable to Shareholders while the Management is accountable to the Board. The Management currently provides the Board with management accounts of the Group's position, performance and prospects on a quarterly basis and as and when deemed necessary, and the Board provides Shareholders with an assessment of the Company's performance, position and prospects on a quarterly basis via quarterly announcements of results and other ad-hoc announcements as required by the SGX-ST.

The Board reviews legislative and regulatory compliance reports from the Management to ensure that the Group complies with the relevant requirements. In line with the Catalist Rules, the Board provides a negative assurance statement in its quarterly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect. All the Directors and key management personnel of the Group have also signed a letter of undertaking pursuant to Rule 720(1) of the Catalist Rules.

Results and other material information are released through SGXNet on a timely basis for the dissemination to Shareholders and the public in accordance with the requirements of the SGX-ST.

The Board welcomes the views of Shareholders on matters affecting the Company, whether at the general meetings of Shareholders or on an ad hoc basis. Shareholders are informed of the general meetings through notices published in the newspapers and reports or circulars sent to all Shareholders. At the general meetings, Shareholders will be given the opportunity to express their views and ask Directors or the Management questions regarding the Company and the Group. The external auditors will also be present to address Shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report.

The Company does not have a dedicated investor relations team. The CFO is responsible for the Company's communication with Shareholders. The public can provide feedback to the Company Secretary via electronic mail or registered address.

Shareholders who are not relevant intermediaries can vote in person or appoint not more than two (2) proxies (or in the case of Shareholders who are relevant intermediaries, more than two (2) proxies) to attend, speak and vote on their behalf at the general meetings. There is no provision in the Company's Constitution that limits the number of proxies for nominee companies.

ACCOUNTING AND COMMUNICATION WITH SHAREHOLDERS (Principles 10, 14 and 15) (continued)

The Company currently does not have a fixed dividend policy. The form, frequency and amount of declaration and payment of future dividends on the Company's shares that the Directors may recommend or declare in respect of any particular financial year or period will take into consideration the Group's retained earnings and expected future earnings, operations, cash flow, capital requirements and general financing condition, as well as general business conditions and other factors which the Directors may deem appropriate (the "**Dividend Factors**"). In view of the Group's loss-making position for FY2017, the Board has not recommended any dividends for FY2017. As set out in the section entitled "Dividend Policy" of the Company's IPO offer document dated 6 June 2017, subject to the Dividend Factors, the Group intends to declare an annual dividend of up to 50% of the Group's net profits attributable to Shareholders in respect of the financial year ending 31 December 2019 and thereafter (unless otherwise determined by the Board at its sole discretion).

The Company may declare dividends by way of an ordinary resolution of Shareholders at a general meeting, but may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of dividends will be determined at the sole discretion of the Directors, subject to the approval of Shareholders. The Directors may also declare an interim dividend without the approval of Shareholders.

CONDUCT OF SHAREHOLDER MEETINGS (Principle 16)

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

All Shareholders receive reports or circulars of the Company which include notice of general meeting by post within the mandatory period. Notice of general meeting is released through SGXNet and published in the newspapers within the same period. The results of the general meetings are also released on SGXNet on the same day.

All registered Shareholders are encouraged to participate during the general meetings. Matters which require Shareholders' approval were presented and proposed as a separate resolution. The Company practises having separate resolutions at general meetings for each distinct issue. Each item of special business in the notice of general meeting is accompanied by an explanatory note, where appropriate. Proxy form is also sent with the notice of general meeting to all Shareholders.

If Shareholders are unable to attend the general meetings, a Shareholder who is not a relevant intermediary may appoint not more than two (2) proxies (or in the case of a Shareholder who is a relevant intermediary, more than two (2) proxies) to attend and vote on their behalf at the general meetings. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of Shareholders through the web is not compromised.

All Directors, Management, Company Secretary, external auditors, Continuing Sponsor and legal advisors (if necessary) attend the general meetings. The procedures of the general meetings provide Shareholders the opportunity to ask questions relating to each resolution tabled for approval. Shareholders are encouraged to provide their views on matters relating to the Company.

The Company Secretary prepares minutes of the general meetings which include substantial and relevant comments or queries from Shareholders relating to the agendas of the meetings, and responses from the Board and the Management. These minutes are subsequently approved by the Board and are available on request to Shareholders during office hours at the registered office.

For greater transparency, the Company will put all resolutions to vote by poll at general meetings and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will be made on the same day.

OTHER CORPORATE GOVERANCE MATTERS

CONFLICTS RESOLUTION COMMITTEE

The CRC comprises three (3) Directors, all of whom are Independent Directors. The members of the CRC are as follows:

Ong Tuen Suan	Chairman	Lead Independent Director
Yeoh Seng Huat Geoffrey	Member	Independent Director
Tan Seng Chuan	Member	Independent Director

The CRC will meet at least once a year. Since the IPO and in FY2017, the CRC has met once.

The CRC shall be responsible for reviewing all conflicts (whether potential, actual or perceived), that may arise from time to time in the course of the Group's business between the Group and any of the Director, controlling Shareholder, CEO and/or any of their respective associates.

The CRC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- reviewing on an annual basis, the protocols established to resolve conflicts of interest (whether potential, perceived or actual) to ascertain that the guidelines provided in such protocols are adequate and/or stay relevant to the business and affairs of the Group, and recommending to the Board such modifications as may be expedient or necessary, including such modifications that are necessary to ensure that the conduct of ordinary business by the Group is not unduly impeded or restricted in any way, taking into consideration the experience and issues, if any, arising from past transactions. In so doing, and if deemed necessary by the CRC, the advice and assistance from legal counsel or other professional advisers may be sought;

- reviewing the scope of relevant associates to ensure that any potential conflicts of interests will be sufficiently mitigated;

- reviewing the specific conflicts of interest (whether potential, actual or perceived) that may arise from time to time in the course of business conducted or carried on by the Group; in particular, in respect of any transaction of the Group where any Director, controlling Shareholder, CEO (if not a Director) and/or any of their relevant associates is involved as a competitor or potential competitor (or one of the competitors or potential competitors), and ensure that if a conflict arises, such conflict is dealt with and adequately resolved; and

- reviewing any transaction brought to it for its approval where any of the Directors or CEO and their relevant associates intends to:

    a) undertake passive investment in any real estate, either in their individual capacities or through special purpose vehicles, within the specified region (i.e. Australia, Indonesia, Malaysia, New Zealand and the Philippines), and the amount to be invested in a single investment or development project exceeds 5% of the Group's net asset value based on its latest audited financial statements; or

    b) invest, either in their individual capacities or through special purpose vehicles, in securities of any listed company or listed real estate investment trust as well as private real estate funds which has more than 50% of its assets comprising interests in real estate located in the specified region ("**Investee Companies**"), and such investment will result in the person holding 5% or more of the voting rights or share capital in the Investee Companies.

The CRC has put in place mitigation procedures when the Group identifies a potential property development project and/or acquisition of a land bank and/or property for development or investment purposes and the Board will be notified of its intention to pursue the transaction.

DEALING IN SECURITIES

The Company has adopted an internal securities code of compliance to provide guidance to the Directors, officers and all employees of the Group with regard to dealing in the Company's securities pursuant to Rule 1204(19) of the Catalist Rules. During FY2017, the Company issues quarterly circulars to its Directors, officers and employees of the Group prohibiting dealing in its shares during the period commencing two (2) weeks before the announcement of the Company's quarterly financial results and one (1) month before the announcement of the Company's full year financial results, and ending on the date of announcement of the relevant results. Directors, officers and employees of the Group are also advised against dealing in the Company's securities when they are in possession of any unpublished price-sensitive information of the Group at all times. In addition, the Company discourages the Directors, officers and employees of the Group from dealing in the Company's securities on short-term considerations. The Directors, officers and employees of the Group are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period. The Group confirms that it has adhered to its internal securities code of compliance for FY2017.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions ("**IPTs**"). The Group does not have a general mandate from Shareholders for IPTs pursuant to Rule 920(1)(a)(i) of the Catalist Rules. All IPTs are reported in a timely manner to the AC and are subject to the review of the AC when a potential conflict of interest arises. The IPTs are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Since the IPO and as at the date of this report, the Company did not enter into any IPTs which require Shareholders' approval under the Catalist Rules regulating IPTs. The Director(s) concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

The aggregate value of the IPTs above S$100,000 entered into during FY2017 is as follows:

Name of interested person	Aggregate value of all interested person transactions during FY2017 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (S$'000)
Corporate charges		
Aspial Corporation Limited	779	–
Loan Interest		
Aspial Corporation Limited(1)	12,751	–
Aspial Treasury Pte. Ltd.(2)	8,165	–
Guarantee Fee		
Aspial Corporation Limited	501	–
Project Management Fee		
WCL (QLD) Margaret St Pty. Ltd.	152	–

Notes:

(1) Aspial Corporation Limited ("**Aspial**") is a controlling Shareholder. An amount of S$225,600,000 due to Aspial from the Group as at 31 December 2017 is interest-bearing at 5.75% per annum, unsecured, with varying maturities of between one and twelve months and is to be settled in cash.

(2) Aspial Treasury Pte. Ltd. is a wholly-owned subsidiary of Aspial, a controlling Shareholder. An amount of S$130,792,000 due to Aspial Treasury Pte. Ltd. from the Group as at 31 December 2017 is interest-bearing at 6.19% to 6.37% per annum, unsecured, with varying maturities of between one and twelve months and is to be settled in cash.

MATERIAL CONTRACTS

Save as disclosed above in the section entitled "Interested Person Transactions" and the service agreement entered into between the Executive Director and the Company, there were no material contracts (including loans) entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling Shareholder which are either still subsisting as at the end of FY2017 or if not then subsisting, entered into since the Company's IPO on the Catalist board of the SGX-ST (the "**Catalist**") on 15 June 2017.

USE OF PROCEEDS FROM THE IPO

The Company raised total net proceeds (after deducting listing and processing fees, professional fees and underwriting and placement commission and other expenses) of approximately S$24,516,000 ("**Net Proceeds**") from the issue of (i) 100,000,000 new shares in connection with the IPO; and (ii) 10,174,500 new shares in connection with the partial exercise of an over-allotment option by the stabilising manager granted by the Company to the stabilising manager in connection with the IPO.

As at the date of this Annual Report, the Net Proceeds have been partially utilised as follows:

Use of Net Proceeds	Amount allocated for use as disclosed in the Company's announcement dated 24 July 2017 S$'000	Amount utilised as at the date of this Annual Report S$'000	Balance of the Net Proceeds as at the date of this Annual Report S$'000
Acquisition of properties and construction and other related costs (including marketing, corporate, administrative and finance expenses) in connection with the development properties	18,800	18,800	–
Working capital	5,716	5,348[(1)]	368
Net Proceeds	**24,516**	**24,148**	**368**

Note:

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

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

NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's sponsor, ZICO Capital Pte. Ltd., subsequent to the Company's IPO on Catalist to the date of printing of this Annual Report.

Notice to Shareholders
Update on Australia's Foreign Investment Regime

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

(a) approximately 21% of the Company's and its subsidiaries' total assets consist of interests in Australian land assets (based on the exchange rate as at 31 December 2017 of A$1.00 : S$1.0431). Accordingly, the Company is not an Australian Land Corporation (as defined herein);

(b) the Company holds an interest in 100% of the shares in World Class Land (Australia) Pty Ltd, in which gross Australian assets have a carrying value of approximately A$607 million. Accordingly, World Class Land (Australia) Pty Ltd, is a Prescribed Australian Entity (as defined herein); and

(c) the Company is an offshore company with respect to Australia, and the Company's Australian subsidiaries' aggregate assets in Australia amounted to approximately A$607 million. Accordingly, the Company is an Offshore Corporation (as defined herein).

Foreign persons acquiring interests in an Australian Land Corporation

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

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

A 'foreign person' is:

(a) a natural person not ordinarily resident in Australia ("**Non-Australian Resident**");

(b) a corporation in which a Non-Australian Resident, a foreign corporation (being a corporation incorporated in a country other than Australia) ("**Non-Australian Corporation**"), or a foreign government holds a substantial interest (an interest of at least 20%);

(c) a corporation in which two or more persons, each of whom is either a Non-Australian Resident, a Non-Australian Corporation, or a foreign government hold in aggregate a substantial interest (an aggregate interest of at least 40%);

(d) the trustee of a trust in which a Non-Australian Resident, a Non-Australian Corporation, or a foreign government holds a substantial interest (an interest of at least 20%);

(e) the trustee of a trust in which two or more persons, each of whom is either a Non-Australian Resident, a Non-Australian Corporation, or a foreign government hold in aggregate a substantial interest (an aggregate interest of at least 40%);

(f) a foreign government;

(g) a general partner of a limited partnership who is a Non-Australian Resident, a Non-Australian Corporation, or a foreign government who holds an interest of at least 20% in the partnership; or

(h) a general partner of a limited partnership in which two or more persons each of whom is a Non-Australian Resident, a Non-Australian Corporation, or a foreign government hold an aggregate interest of at least 40% in the partnership.

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

(a) the acquisition is of an interest in Australian land that is an acquisition of an interest in shares or units in a land entity;

(b) the land entity is or will be listed for quotation in the official list of a stock exchange (whether or not in Australia);

(c) after the acquisition, the foreign person, alone or together with one or more associates, holds an interest of less than 10% in the land entity; and

(d) the foreign person is not in a position:

  (i) to influence or participate in the central management and control of the land entity; or

  (ii) to influence, participate in or determine the policy of the land entity.

In the event the Company is an ALC:

- conditions (a) and (b) above will be satisfied; and

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

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

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

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

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

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

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

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

Notice to Shareholders
Update on Australia's Foreign Investment Regime

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

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

When such action is a notifiable action

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

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

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

When such action is a significant action

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

(i) the action is to acquire interests in securities in an entity;

(ii) the threshold test is met in relation to the entity (that is, the entity has gross Australian assets or Australian subsidiaries valued at more than A$252 million or such other amount as is prescribed by Australian Government regulation);

(iii) the entity is a holding entity of a corporation that is a relevant entity that carries on an Australian business, whether alone or together with one or more other persons;

(iv) the action is taken by a foreign person; and

(v) there would be or has been change in control of the entity as a result of the action.

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

Generally, there will be a 'change of control' under the FATA if, amongst other things, a foreign person acquires a substantial interest[1] in the entity as a result of the acquisition.

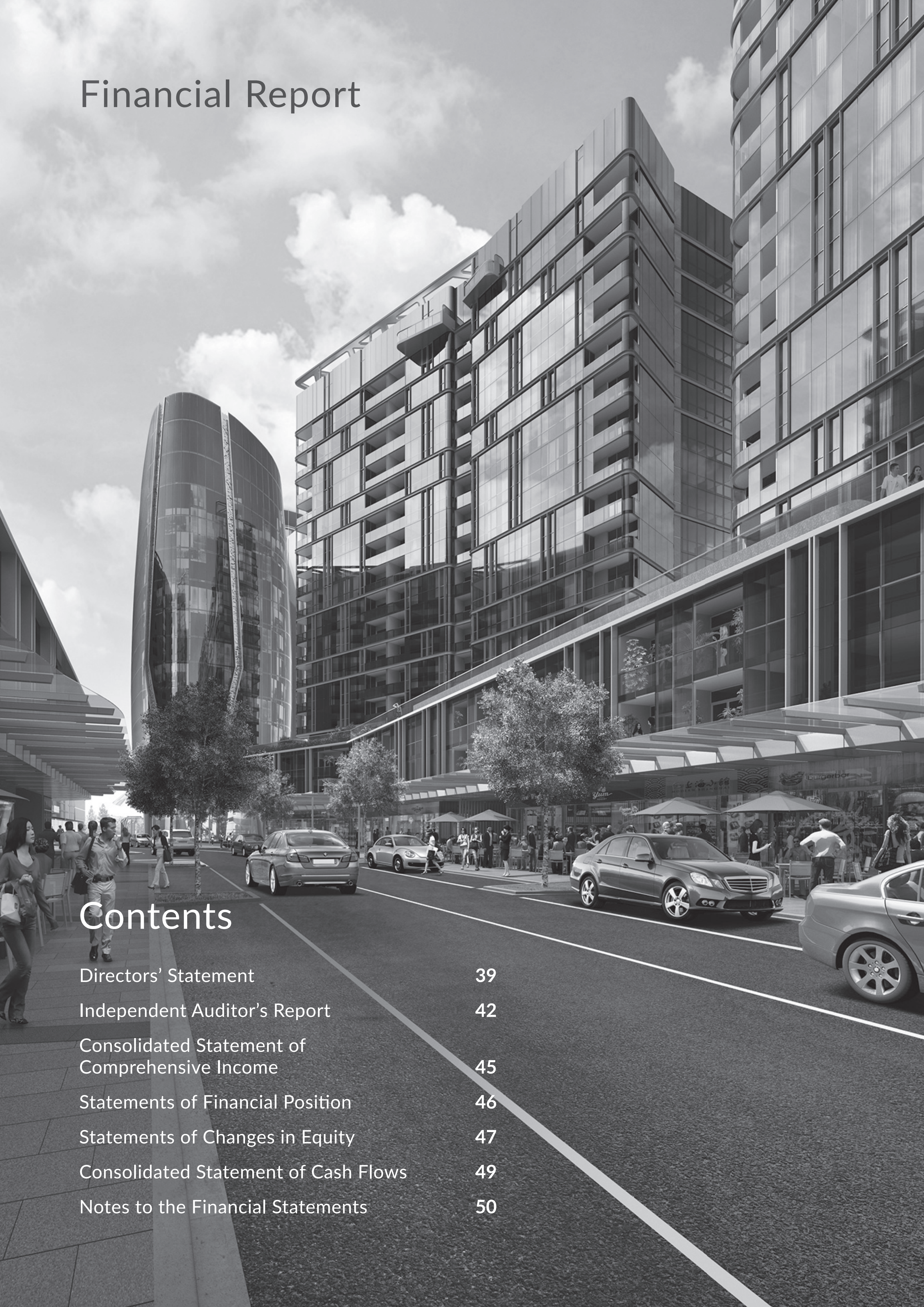
[1] An interest of at least 20% in an entity.

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

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

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

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



Financial Report

Contents

Directors' Statement

The directors present their statement to the members together with the audited consolidated financial statements of World Class Global Limited (the "Company'') and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2017.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position 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 31 December 2017 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the 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:

Koh Wee Seng	
Ng Sheng Tiong	
Koh Lee Hwee	
Ong Tuen Suan	(Appointed on 1 June 2017)
Yeoh Seng Huat Geoffrey	(Appointed on 1 June 2017)
Tan Seng Chuan	(Appointed on 1 June 2017)

In accordance with Article 97 and Article 103 of the Company's Constitution, Ng Sheng Tiong, Ong Tuen Suan, Yeoh Seng Huat Geoffrey and Tan Seng Chuan retire and, being eligible, offer themselves for re-election.

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 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
(continued)

Directors' interests in shares or 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 Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Held by directors			Other shareholdings in which directors are deemed to have an interest		
	1 January 2017	31 December 2017	21 January 2018	1 January 2017	31 December 2017	21 January 2018
World Class Global Limited						
Ordinary shares						
Koh Wee Seng	40,250,000*	22,750,000	22,750,000	724,500,000*	742,828,700	742,828,700
Ng Sheng Tiong	40,250,000*	22,300,000	22,300,000	–	–	–
Koh Lee Hwee	–	–	–	724,500,000*	742,828,700	742,828,700
Immediate holding company Aspial Corporation Limited						
Ordinary shares						
Koh Wee Seng	372,164,929	373,463,357	373,463,357	1,142,907,178	1,142,907,178	1,142,907,178
Ng Sheng Tiong	18,991,870	19,174,484	19,174,484	30,888,888	30,890,888	30,890,888
Koh Lee Hwee	30,888,888	30,890,888	30,890,888	1,156,816,957	1,156,999,571	1,156,999,571
Ultimate holding company MLHS Holdings Pte. Ltd.						
Ordinary shares						
Koh Wee Seng	1,410,000	1,410,000	1,410,000	–	–	–
Ng Sheng Tiong	–	–	–	607,500	607,500	607,500
Koh Lee Hwee	607,500	607,500	607,500	–	–	–

* Pursuant to the Extraordinary General Meeting held on 5 May 2017, the shareholders of the Company approved the sub-division of every one share in the capital of the Company into seven shares. Accordingly, the number of shares held by the directors at the beginning of the year and at the end of the year has been adjusted for the sub-division.

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Koh Wee Seng and Koh Lee Hwee are deemed to have an interest in the shares of all the subsidiaries to the extent held by Aspial Corporation Limited.

Except as disclosed in this report, 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 of the financial year, or date of appointment if later, or at the end of the financial year.

Options

No options were issued by the Company during the financial year. As at 31 December 2017, there are no options on the unissued shares of the Company or any other body corporate which were outstanding.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors:

Koh Wee Seng
Director

Ng Sheng Tiong
Director

Singapore
23 March 2018

Independent Auditor's Report

TO THE MEMBERS OF WORLD CLASS GLOBAL LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of World Class Global Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and Company as at 31 December 2017, statements of changes in equity of the Group and Company and the consolidated statement of cash flows 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 statement of financial position 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 31 December 2017 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 the 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 the matter below. 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 matter below, provide the basis for our audit opinion on the accompanying financial statements.

Carrying values of development properties and properties held for sale

As at 31 December 2017, the Group's development properties and properties held for sale amounted to $753,305,000 and $21,676,000 respectively, which in aggregate, represented 95.7% of the Group's total assets. These development properties and properties held for sale are located in Australia and Malaysia.

For development properties, a significant proportion of these development properties relate to projects that are in planning phases and have not been launched or completed as at 31 December 2017. In ascertaining net realisable value ("NRV"), significant judgment is involved as management either needs to estimate the expected selling price (taking into account estimated costs to complete construction) based on the future property market and economic conditions in the respective markets, or use external appraisers to support its determination of market prices.

For properties held for sale, in ascertaining NRV, significant judgment is involved as management either needs to estimate the expected selling price based on the current property market and economic conditions in the respective markets, or use external appraisers to support its determination of market prices.

Key audit matters (cont'd)

Carrying values of development properties and properties held for sale (cont'd)

Given the magnitude of these assets and significant estimation uncertainty involved in determining their NRV, we have identified the assessment of carrying values of development properties and properties held for sale as a key audit matter.

To address the risk of material misstatement relating to the carrying values of development properties and properties held for sale, our audit procedures included, amongst others, inquiry of management on the existence of any indicators that the NRV is lower than their respective costs. We assessed the reasonableness of the estimated selling prices, taking into account market prices for similar properties in the respective markets, where applicable. Where management used external appraisers to support its determination of estimated selling prices, we evaluated the objectivity, competence and capabilities of the appraisers. We also involved our internal real estate specialists in assessing the appropriateness of the valuation method and certain key assumptions used in the valuations.

In addition to the above procedures, in assessing the appropriateness of management's NRV assessment of the development properties, we performed procedures to evaluate the reasonableness of the estimated costs of completing the development properties. We obtained an understanding of the Group's internal controls with respect to project budgeting and monitoring process and inquired with management on the development status of on-going and significant projects. We also examined documentation of the progress of material projects such as costs incurred to-date, estimated costs to complete and timing of completion.

Further, we assessed the adequacy of disclosures related to development properties and properties held for sale in Note 2.12 Development properties, Note 2.13 Properties held for sale, Note 3 Estimation of net realisable value for development properties and properties held for sale, Note 11 Development properties and Note 12 Properties held for sale 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.

Independent Auditor's Report

TO THE MEMBERS OF WORLD CLASS GLOBAL LIMITED
(continued)

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.

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.

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 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 Max Loh Khum Whai.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
23 March 2018

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2017

	Note	2017	2016
		$'000	$'000
Employee benefits	4	(3,528)	(1,954)
Depreciation		(61)	(47)
Net foreign exchange gain		1,712	1,843
Finance costs		(528)	(1,672)
Other operating expenses		(8,546)	(5,886)
Interest income from bank balances		590	453
Rental income		569	390
Other income		138	45
Loss before tax	5	(9,654)	(6,828)
Income tax credit	6(a)	380	441
Loss for the year		(9,274)	(6,387)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation, representing other comprehensive income for the year		428	1,257
Total comprehensive income for the year		(8,846)	(5,130)
Loss for the year attributable to:			
Owners of the Company		(9,034)	(6,341)
Non-controlling interests		(240)	(46)
		(9,274)	(6,387)
Total comprehensive income attributable to:			
Owners of the Company		(8,628)	(5,169)
Non-controlling interests		(218)	39
		(8,846)	(5,130)
Loss per share (cents)			
Basic	7	(1.04)	(0.79)
Diluted	7	(1.04)	(0.79)

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

Statements of Financial Position

As at 31 December 2017

	Note	Group 2017	Group 2016	Company 2017	Company 2016
		$'000	$'000	$'000	$'000
Non-current assets					
Plant and equipment	8	223	154	129	137
Investment properties	9	11,836	–	–	–
Investment in subsidiaries	10	–	–	236,042	158,644
Deferred tax assets	6(c)	5,102	4,112	–	–
		17,161	4,266	236,171	158,781
Current assets					
Development properties	11	753,305	488,148	–	–
Properties held for sale	12	21,676	12,754	–	–
Trade and other receivables	13	4,404	15,827	43	43
Prepayments	14	942	645	49	442
Due from subsidiaries (non-trade)	18	–	–	269,714	283,790
Cash and bank balances	15	12,506	29,290	791	22,353
		792,833	546,664	270,597	306,628
Total assets		809,994	550,930	506,768	465,409
Current liabilities					
Trade and other payables	16	30,050	17,994	2,425	846
Interest-bearing loans and borrowings	17	216,550	14,965	–	–
Due to immediate holding company (non-trade)	18	239,697	228,474	239,184	226,892
Due to fellow subsidiaries (non-trade)	18	138,978	140,618	138,978	140,618
		625,275	402,051	380,587	368,356
Net current assets/(liabilities)		167,558	144,613	(109,990)	(61,728)
Non-current liabilities					
Other payables	16	2,468	1,640	–	–
Interest-bearing loans and borrowings	17	74,955	58,801	–	–
Deferred tax liabilities	6(c)	148	–	148	–
		77,571	60,441	148	–
Total liabilities		702,846	462,492	380,735	368,356
Net assets		107,148	88,438	126,033	97,053
Equity attributable to owners of the Company					
Share capital	19(a)	142,556	115,000	142,556	115,000
Other reserves	19(b)	(3,829)	(4,235)	–	–
Revenue reserves		(40,602)	(31,568)	(16,523)	(17,947)
		98,125	79,197	126,033	97,053
Non-controlling interests		9,023	9,241	–	–
Total equity		107,148	88,438	126,033	97,053
Total equity and liabilities		809,994	550,930	506,768	465,409

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

Statements of Changes in Equity

For the financial year ended 31 December 2017

	Note	Share capital (Note 19a)	Other reserves (Note 19b)	Revenue reserves	Equity attributable to owners of the Company	Non-controlling interests	Total equity
		Attributable to owners of the Company					
Group		$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2016		115,000	(5,396)	(25,227)	84,377	2,716	87,093
Loss for the year		–	–	(6,341)	(6,341)	(46)	(6,387)
Other comprehensive income							
Foreign currency translation		–	1,172	–	1,172	85	1,257
Total comprehensive income for the year		–	1,172	(6,341)	(5,169)	39	(5,130)
Contributions by and distributions to owners							
Capital contribution from non-controlling interests, representing total contributions by and distributions to owners		–	–	–	–	6,492	6,492
Changes in ownership interests in a subsidiary							
Acquisition of non-controlling interests in a subsidiary without a change in control, representing total changes in ownership interests in a subsidiary and total transactions with owners in their capacity as owners	10	–	(11)	–	(11)	(6)	(17)
Total transactions with owners in their capacity as owners		–	(11)	–	(11)	6,486	6,475
At 31 December 2016		115,000	(4,235)	(31,568)	79,197	9,241	88,438
At 1 January 2017		115,000	(4,235)	(31,568)	79,197	9,241	88,438
Loss for the year		–	–	(9,034)	(9,034)	(240)	(9,274)
Other comprehensive income							
Foreign currency translation		–	406	–	406	22	428
Total comprehensive income for the year		–	406	(9,034)	(8,628)	(218)	(8,846)
Contributions by and distributions to owners							
Issuance of shares pursuant to the initial public offering	19(a)	28,827	–	–	28,827	–	28,827
Share issuance expense	19(a)	(1,271)	–	–	(1,271)	–	(1,271)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		27,556	–	–	27,556	–	27,556
At 31 December 2017		142,556	(3,829)	(40,602)	98,125	9,023	107,148

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

Statements of Changes in Equity

For the financial year ended 31 December 2017
(continued)

	Note	Share capital (Note 19a)	Revenue reserves	Total Equity
Company		$'000	$'000	$'000
At 1 January 2016		115,000	(16,854)	98,146
Loss for the year, representing total comprehensive income for the year		–	(1,093)	(1,093)
At 31 December 2016		115,000	(17,947)	97,053
Profit for the year, representing total comprehensive income for the year		–	1,424	1,424
Contributions by and distributions to owners				
Issuance of shares pursuant to the initial public offering	19(a)	28,827	–	28,827
Share issuance expense	19(a)	(1,271)	–	(1,271)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		27,556	–	27,556
At 31 December 2017		142,556	(16,523)	126,033

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2017

	Note	2017	2016
		$'000	$'000
Operating activities			
Loss before tax		(9,654)	(6,828)
Adjustments for:			
Depreciation of plant and equipment	8	61	47
Interest income		(590)	(453)
Interest expense		528	1,672
Listing expenses		1,707	980
Unrealised foreign exchange gain		(1,716)	(1,843)
Allowance for write-down of development properties and properties held for sale		1,326	–
Net fair value gain on investment properties	9	(38)	–
Operating cash flows before changes in working capital		(8,376)	(6,425)
Changes in working capital			
Increase in development properties		(255,159)	(118,552)
Decrease/(increase) in trade and other receivables		11,551	(14,393)
(Increase)/decrease in prepayments		(242)	1,378
Decrease in trade and other payables		13,064	16,156
Cash flows used in operations		(239,162)	(121,836)
Interest received		590	453
Interest paid		(27,370)	(22,697)
Income taxes paid		(2,817)	(1,603)
Net cash flows used in operating activities		(268,759)	(145,683)
Investing activities			
Purchase of plant and equipment	8	(129)	(148)
Acquisition of non-controlling interests in a subsidiary	10	–	(17)
Net cash flows used in investing activities		(129)	(165)
Financing activities			
Proceeds from issuance of ordinary shares		28,645	–
Proceeds from interest-bearing loans and borrowings		220,540	53,479
Repayment of interest-bearing loans and borrowings		(3,877)	(95,476)
Increase in amounts due to immediate holding company (non-trade)		11,223	66,182
(Decrease)/increase in amounts due to a fellow subsidiary (non-trade)		(1,640)	112,381
Listing expenses paid		(2,851)	(1,153)
Net cash flows from financing activities		252,040	135,413
Net decrease in cash and cash equivalents		(16,848)	(10,435)
Effect of exchange rate changes on cash and cash equivalents		64	(37)
Cash and cash equivalents at beginning of year		29,290	39,762
Cash and cash equivalents at end of year	15	12,506	29,290

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

1. Corporate information

The Company was incorporated in Singapore on 29 October 2013 under the Companies Act as a private company, under the name of "World Class Global Pte. Ltd.".

The Company was converted into a public limited company on 12 May 2017 and the name of the Company was changed to "World Class Global Limited" in connection with the conversion. The Company was listed on the Catalist Board of the Singapore Exchange on 15 June 2017.

The immediate holding company is Aspial Corporation Limited, which is incorporated in Singapore and listed on the Main Board of the Singapore Exchange. The ultimate holding company is MLHS Holdings Pte. Ltd., which is also incorporated in Singapore.

The Company is domiciled in Singapore, and the address of the Company's registered office is 8 Robinson Road, #03-00 ASO Building, Singapore 048544. The Company's principal place of business is located at 55 Ubi Avenue 1, #05-16 Ubi 55, Singapore 408935.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS'').

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

The financial statements are presented in Singapore Dollars ("SGD" or "$'') and all values in the tables are rounded to the nearest thousand ("$'000''), except when otherwise indicated.

Convergence with International Financial Reporting Standards

For annual financial periods beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards. The Group will adopt SFRS(I) on 1 January 2018.

The Group has performed an assessment of the impact of adopting SFRS(I). Other than the impact on adoption of SFRS(I) 15, the Group expects that the adoption of SFRS(I) will have no material impact on the financial statements in the year of initial application. The Group expects that the impact of adopting SFRS(I) 15 will be similar to the impact on adoption of FRS 115 as disclosed in Note 2.3.

2.2 *Changes in accounting policies*

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

2. Summary of significant accounting policies (cont'd)

2.3 ***Standards issued but not yet effective***

The Group has not adopted the following standards applicable to the Group 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 from Contracts with Customers*	1 January 2018
Amendments to FRS 115 *Clarifications to FRS 115 Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 40: T*ransfers of Investment Property*	1 January 2018
INT FRS 122 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
FRS 116 *Leases*	1 January 2019
INT FRS 123 *Uncertainty over Income Tax Treatments*	1 January 2019
Improvements to FRSs (March 2018)	
- Amendments to FRS 103 *Business Combinations*	
- Amendments to FRS 111 *Joint Arrangements*	
- Amendments to FRS 12 *Income Tax*	
- Amendments to FRS 23 *Borrowing Costs*	1 January 2019

As disclosed in Note 2.1, the Group will adopt SFRS(I) on 1 January 2018. Upon adoption of SFRS(I) on 1 January 2018, the SFRS(I) equivalent of the above standards that are effective on 1 January 2018 will be adopted at the same time.

Except for SFRS(I) 15 and SFRS(I) 16, the directors expect that the adoption of the SFRS(I) equivalent of the above standards will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 15 and SFRS(I) 16 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has performed a preliminary impact assessment of adopting FRS 115 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts FRS 115 in 2018.

The Group plans to apply the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach. The Group also plans to apply the practical expedient provided for completed contracts in FRS 115, whereby the Group plans not to restate completed contracts that begin and end within the same year or are completed contracts at 1 January 2017.

The Group is in the business of developing residential and commercial properties. The Group currently recognises revenue from the sale of residential and commercial development properties under construction using the completed contract method. Under FRS 115, revenue from the sale of development properties should be recognised using the percentage of completion method for contracts where the legal terms were such that the construction represented the continuous transfer of work in progress to the purchaser. Under FRS 115, for the Group's residential developments in Malaysia, performance obligations for the sale of development properties are satisfied over time where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date. As the Group has not sold any residential properties under construction in Malaysia, the directors expect that the adoption of FRS 115 will have no material impact on the Group's financial statements upon adoption.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019.

The Group has performed a preliminary impact assessment of the adoption of FRS 116 and expects that the adoption of FRS 116 will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

The Group plans to adopt the new standard on the required effective date by applying FRS 116 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 January 2019.

The Group is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to FRS 116 and assessing the possible impact of adoption.

2.4 *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.

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:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

- derecognises the carrying amount of any non-controlling interest;

- derecognises 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.

2. Summary of significant accounting policies (cont'd)

2.5 ***Transactions with non-controlling interests***

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to the owners 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 interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

2.6 ***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.

2.7 ***Foreign currency***

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group has determined 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 arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD 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 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. Summary of significant accounting policies (cont'd)

2.8 *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 derecognised 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.

2.9 *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. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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.

(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 instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

2. Summary of significant accounting policies (cont'd)

2.9 *Financial instruments (cont'd)*

(b) *Financial liabilities (cont'd)*

Subsequent measurement

After initial recognition, financial liabilities 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.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or 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.

2.10 *Cash and cash equivalents*

Cash and cash equivalents comprise cash and bank balances.

2.11 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group 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 Group 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.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

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 value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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.

2. Summary of significant accounting policies (cont'd)

2.12 *Development properties*

Development properties are properties acquired for development 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.

The cost of development properties include:

- Freehold rights for land;
- Amounts paid to contractors for construction;
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable sales agent commission.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are capitalised and amortised to profit or loss as the Group expects to recognise the related revenue.

Provision is made for foreseeable losses in arriving at estimated net realisable value. Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period 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 sale 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.

Development properties are transferred to properties held for sale upon the completion of construction or development.

2.13 *Properties held for sale*

Properties held for sale refer to properties where construction or development has been completed, or properties purchased, which are intended for sale in the ordinary course of business. Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

2.14 *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 use or sale. 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. Summary of significant accounting policies (cont'd)

2.15 *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 Company makes 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*

Employees' entitlement to annual leave is recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.16 *Leases*

As lessee

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.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset 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 bases as rental income. The accounting policy for rental income is set out in Note 2.17(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.17 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) *Sale of completed development property*

A development property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

(b) *Sale of development property under construction*

Where development property is under construction and agreement has been reached to sell such property when construction is complete, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer (i.e. revenue is recognised using the completed contract method).

If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses. The percentage of work completed is measured by reference to the survey of work performed by external architects.

2. Summary of significant accounting policies (cont'd)

2.17 *Revenue (cont'd)*

(c) *Rental income from operating leases*

Rental income arising from operating leases on leasehold properties and standing properties at development sites 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.

(d) *Interest income*

Interest income is recognised using the effective interest method.

2.18 *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.

(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 taxable 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, 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

2. Summary of significant accounting policies (cont'd)

2.18 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

– In respect of deductible temporary differences associated with investments in subsidiaries, 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 each 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 consolidation.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax 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 sales tax included.

2.19 *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.

2.20 *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.

2. Summary of significant accounting policies (cont'd)

2.20 ***Contingencies (cont'd)***

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 sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.21 ***Financial guarantees***

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 recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, 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 ***Judgments in applying accounting policies***

Management is of the opinion that there is no significant judgment made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 ***Key sources of estimation uncertainty***

The Group, on its own or in reliance on third parties, has applied estimates, assumptions and judgments in the following areas. These estimates, assumptions and judgments are however not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as disclosed in the notes to the financial statements within the next financial period.

(a) *Estimation of net realisable value for development properties*

Development properties are stated at the lower of cost and net realisable value ("NRV").

As at 31 December 2017 and 2016, the Group's development properties comprise properties that (i) are in planning phases, (ii) had obtained the necessary development permits from the relevant authorities but not launched for sale, and (iii) had obtained the necessary development permits from the relevant authorities and launched for sale with carrying amounts of $244,424,000, $15,921,000 and $492,960,000 (2016: $231,790,000, $19,354,000 and $237,004,000) respectively.

3. Significant accounting judgments and estimates (cont'd)

3.2 ***Key sources of estimation uncertainty (cont'd)***

(a) *Estimation of net realisable value for development properties (cont'd)*

Management has made estimates of NRV with reference to gross development values as assessed by independent valuers for certain development projects with a carrying amount of $740,475,000. The gross development value of a development property is derived from estimated sales proceeds less estimated construction costs based on prevailing conditions in the respective markets where the properties are located, with the assumption that those properties in planning phases will obtain the required development permits.

Estimated sales proceeds

Estimates of sales proceeds are made with reference to selling prices of units sold as well as market prices at the reporting date for similar properties in the respective markets where applicable. Where market prices are not available, input from property agents, the property-type as well as targeted segment has been taken into account.

Estimated construction costs

Estimated construction costs or costs to complete construction take into account construction contracts entered into or input from project managers.

As at 31 December 2017 and 2016, the carrying amount of development properties disclosed in Note 11 to the financial statements is stated at cost. A 5% decrease in gross development values as assessed in independent valuation reports for the Group's significant development properties is not expected to have a significant impact on the Group's financial statements as at 31 December 2017 and 2016.

(b) *Estimation of net realisable value for properties held for sale*

As at 31 December 2017, the Group's properties held for sale amounted to $21,676,000 (2016: $12,754,000).

Management has made estimates of NRV with reference to selling prices of units sold as well as market prices at the reporting date for similar properties in the respective markets where applicable. Where market prices are not available, input from property agents, the property-type as well as targeted segment has been taken into account.

4. Employee benefits

	Group	
	2017	**2016**
	$'000	$'000
Employee benefits expense (including executive directors):		
Salaries and bonuses	3,252	1,546
Central Provident Fund contributions	265	255
Other short-term benefits	11	153
	3,528	1,954

5. Loss before tax

The following items have been charged/(credited) in arriving at loss before tax:

	Note	Group 2017	Group 2016
		$'000	$'000
Listing expenses		1,707	980
Repair and maintenance expense		465	170
Rental expense on operating leases	21(c)	80	213
Show flat design and construction costs		–	1,218
Loss/(gain) from sale of properties held for sale		129	(37)
Promotion and advertising		1,543	1,853
Corporate charges		779	533
Allowance for write-down of development properties and properties held for sale		1,326	–
Net fair value gain on investment properties	9	(38)	–

6. Income tax credit

(a) ***Major components of income tax credit***

The major components of income tax credit for the financial years ended 31 December 2017 and 2016 are:

	Group 2017	Group 2016
	$'000	$'000
Consolidated statement of comprehensive income		
Current income tax		
– Current income taxation	5	16
– Under/(over) provision in respect of prior year	4	(6)
– Withholding tax	547	423
Deferred income tax		
– Origination and reversal of temporary differences	(936)	(874)
Income tax credit recognised in profit or loss	(380)	(441)

6. Income tax credit (cont'd)

(b) ***Relationship between tax credit and loss before tax***

The reconciliation between tax credit and the product of loss before tax multiplied by the applicable corporate tax rate for the financial years ended 31 December 2017 and 2016 are as follows:

	Group	
	2017	**2016**
	$'000	$'000
Loss before tax	(9,654)	(6,828)
Tax at the domestic rates applicable to losses in the countries where the Group operates	(2,805)	(1,616)
Adjustments:		
– Income not subject to taxation	(469)	(313)
– Deferred tax assets not recognised	928	–
– Non-deductible expenses	1,457	1,071
– Under/(over) provision in respect of previous years	4	(6)
Effect of partial tax exemption and relief	(28)	–
– Withholding tax	547	423
Others	(14)	–
Income tax credit recognised in profit or loss	(380)	(441)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

(c) ***Deferred income tax***

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	$'000	$'000	$'000
Balance at 1 January	(4,112)	(3,199)	–	–
Tax credited to profit or loss	(936)	(874)	148	–
Translation difference	94	(39)	–	–
Balance at 31 December	(4,954)	(4,112)	148	–

6. Income tax credit (cont'd)

(c) ***Deferred income tax (cont'd)***

Deferred income tax as at 31 December 2017 and 2016 relates to the following:

Deferred tax assets, net

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	$'000	$'000	$'000
Deferred tax assets:				
Project expenses on incomplete development properties	4,291	3,563	–	–
Unutilised tax losses	811	549	–	–
	5,102	4,112	–	–
Deferred tax liabilities:				
Differences in depreciation for tax purpose	(4)	–	(4)	–
Unremitted foreign interest income, net	(476)	–	(476)	–
Provisions	332	–	332	–
	(148)	–	(148)	–

At 31 December 2017, the Group has unutilised tax losses of approximately $4,462,000 (2016: $Nil) that are available for offset against future taxable profits of the Group, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The utilisation of these tax losses is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which the companies operate.

7. Loss per share

Basic earnings per share amounts are calculated by dividing the loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

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

	2017	**2016**
Loss for the year attributable to owners of the Company ($'000)	9,034	6,341
Weighted average number of ordinary shares ('000)	864,805	805,000
Basic and diluted loss per share (cents)	1.04	0.79

8. Plant and equipment

	Renovations, electrical fittings, furniture and fittings	Computers	Office equipment	Total
	$'000	$'000	$'000	$'000
Group				
Cost:				
At 1 January 2016	–	45	11	56
Additions	58	58	32	148
Reclassification	–	(3)	3	–
At 31 December 2016 and 1 January 2017	58	100	46	204
Additions	33	75	21	129
Disposals	–	–	(1)	(1)
Exchange differences	–	1	–	1
At 31 December 2017	91	176	66	333
Accumulated depreciation:				
At 1 January 2016	–	2	1	3
Charge for the year	11	26	10	47
Reclassification	–	–*	–*	–
At 31 December 2016 and 1 January 2017	11	28	11	50
Charge for the year	15	33	13	61
Disposals	–	–	(1)	(1)
Exchange differences	–	–*	–	–*
At 31 December 2017	26	61	23	110
Net carrying amount:				
At 31 December 2016	47	72	35	154
At 31 December 2017	65	115	43	223

* Less than $1,000

8. Plant and equipment (cont'd)

	Renovations, electrical fittings, furniture and fittings	Computers	Office equipment	Total
	$'000	$'000	$'000	$'000
Company				
Cost:				
At 1 January 2016	–	31	10	41
Additions	58	57	28	143
At 31 December 2016 and 1 January 2017	58	88	38	184
Additions	–*	41	7	48
Disposals	–	–	(1)	(1)
At 31 December 2017	58	129	44	231
Accumulated depreciation:				
At 1 January 2016	–	2	–*	2
Charge for the year	11	24	10	45
At 31 December 2016 and 1 January 2017	11	26	10	47
Charge for the year	14	30	12	56
Disposals	–	–	(1)	(1)
At 31 December 2017	25	56	21	102
Net carrying amount:				
At 31 December 2016	47	62	28	137
At 31 December 2017	33	73	23	129

* Less than $1,000

9. Investment properties

	Group	
	2017	2016
	$'000	$'000
Statement of financial position:		
At 1 January	–	–
Transfer from properties held for sale	11,798	–
Net gains from fair value adjustments recognised in profit or loss	38	–
At 31 December	11,836	–
Statement of comprehensive income:		
Rental income from investment properties		
– Minimum lease payments	42	–
Direct operating expenses (including repairs and maintenance) arising from:		
– Rental generating properties	431	–
– Non-rental generating properties	55	–
At 31 December	486	–

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2017. The valuations were performed by Henry Butcher Sdn. Bhd., an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. Details of the valuation technique and inputs used are disclosed in Note 25.

Properties pledged as security

As at 31 December 2017, investment properties with a carrying value of $4,710,000 (2016: $Nil) are pledged as security for bank borrowings (Note 17).

9. Investment properties (cont'd)

Details of the investment properties held by the Group are as follows:

Description and location	Existing Use	Tenure
World Class Land (Georgetown) Sdn. Bhd.		
41, 43 & 51 Gat Jalan Prangin, Penang, Malaysia	Commercial	Freehold
WCL (Macallum) Sdn. Bhd.		
206 Jalan C.Y. Choy, Penang, Malaysia	Commercial	Freehold
55 Lebuh Cecil, Penang, Malaysia	Commercial	Freehold
81 Lebuh Macallum, Penang, Malaysia	Commercial	Freehold
WCL (Noordin St) Sdn. Bhd.		
68 Lebuh Presgrave, Penang, Malaysia	Commercial	Freehold
69 & 71 Lebuh Presgrave, Penang, Malaysia	Commercial	Freehold
95, 97 & 99 Lebuh Noordin, Penang, Malaysia	Commercial	Freehold
15 Lebuh Tye Sin, Penang, Malaysia	Commercial	Freehold
80 & 82 Lebuh Tye Sin, Penang, Malaysia	Commercial	Freehold

10. Investment in subsidiaries

	Company	
	2017	**2016**
	$'000	$'000
Unquoted equity shares, at cost	236,042	158,644

Composition of the Group

The Group has the following investment in subsidiaries:

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest	
				2017	**2016**
				%	%
	Held by the Company				
(b)	World Class Land (Malaysia) Sdn. Bhd.	Malaysia	Investment holding	100	100
(e)	World Class Land (Australia) Pty. Ltd.	Australia	Investment holding	100	100

10. Investment in subsidiaries (cont'd)

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2017	2016
				%	%
	Held through subsidiaries				
	World Class Land (Malaysia) Sdn. Bhd.				
(b)	World Class Land (Penang) Sdn. Bhd.	Malaysia	Property development	100	100
(b)	World Class Land (Georgetown) Holdings Sdn. Bhd.	Malaysia	Property development	95	95
	World Class Land (Georgetown) Holdings Sdn. Bhd.				
(a)	World Class Land (Georgetown) Sdn. Bhd.	Malaysia	Property development	100	100
(a)	WCL (Magazine) Sdn. Bhd.	Malaysia	Property development	100	100
(a)	WCL (Macallum) Sdn. Bhd.	Malaysia	Property development	100	100
(a)	WCL (Noordin St) Sdn. Bhd.	Malaysia	Property development	100	100
(a)	WCL (Bertam R) Sdn. Bhd.	Malaysia	Property development	100	100
(a)	WCL (Bertam L) Sdn. Bhd.	Malaysia	Property development	100	100
(b)	PHC Hotels Sdn. Bhd. (formerly known as Dynamic PMS (M) Sdn. Bhd.)	Malaysia	Investment holding	100	100
	World Class Land (Australia) Pty. Ltd.				
(c), (e)	WCL-Cairns (QLD) Pty. Ltd.	Australia	Property development	100	100
(c), (e)	WCL-Central Park (QLD) Pty. Ltd.	Australia	Property development	100	100
(d)	WCL-King (VIC) Pty. Ltd.	Australia	Property development	–	100
(c), (e)	WCL-Southbank (VIC) Pty. Ltd.	Australia	Property development	100	100
(c), (e)	WCL-A Beckett (VIC) Pty. Ltd.	Australia	Property development	100	100
(e)	WCL (QLD) Holdings Pty. Ltd.	Australia	Property development	100	100
(f), (g)	Avant Trust	Australia	Trust	100	–

10. Investment in subsidiaries (cont'd)

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2017	2016
				%	%
	Held through subsidiaries (cont'd)				
	WCL-Cairns (QLD) Pty. Ltd.				
(e)	Dynamic Ideas Pty. Ltd. (formerly known as WCL (CNS) Aplin Pty. Ltd.)	Australia	Property development	100	100
(c), (e)	WCL (CNS) CBD Pty. Ltd.	Australia	Property development	100	100
	WCL (QLD) Holdings Pty. Ltd.				
(c), (e)	WCL (QLD) Albert St Pty. Ltd.	Australia	Property development	100	100
(c), (e)	WCL (QLD) Margaret St Pty. Ltd.	Australia	Property development	65	65

(a) Audited by a member firm of EY Global

(b) Audited by Baker Tilly Monteiro Heng, Malaysia

(c) Audited by Ernst & Young LLP, Singapore for consolidation purposes

(d) Voluntarily liquidated during the financial year ended 31 December 2017

(e) Exempted from statutory audit

(f) Audited by Crowe Horwath NQ

(g) Newly incorporated/established during the financial year ended 31 December 2017

Interest in subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary that has NCI that is material to the Group:

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	(Loss)/profit allocated to NCI during the reporting period 2017	2016	Accumulated NCI at the end of reporting period 2017	2016	Capital contribution by NCI 2017	2016
			$'000	$'000	$'000	$'000	$'000	$'000
WCL (QLD) Margaret St Pty. Ltd. ("WCL–MS")	Australia	35%	(3)	8	9,309	9,290	8,925	6,492

10. Investment in subsidiaries (cont'd)

Summarised financial information about subsidiary with material NCI

Summarised financial information before intercompany eliminations of WCL–MS is as follows:

Summarised statement of financial position

	WCL–MS	
	2017	**2016**
	$'000	$'000
Current		
Assets	40,589	38,624
Liabilities	(12,511)	(11,408)
Net current assets	28,078	27,216
Non-current		
Liabilities, representing net non-current liabilities	(1,482)	(674)
Net assets	26,596	26,542

Summarised statement of comprehensive income

	WCL–MS	
	2017	**2016**
	$'000	$'000
Revenue	–	–
(Loss)/profit before income tax	(10)	22
Income tax expense	–	–
(Loss)/profit after tax	(10)	22
Other comprehensive income	(22)	153
Total comprehensive income	(32)	175

Other summarised information

	WCL–MS	
	2017	**2016**
	$'000	$'000
Net cash flows used in operations	2,016	12,800

10. Investment in subsidiaries (cont'd)

Acquisition of ownership interest in subsidiary, without a loss of control

On 12 February 2016, the Group acquired an additional 5% equity interest in World Class Land (Georgetown) Holdings Sdn. Bhd. from its non-controlling interests for a cash consideration of RM 50,000 (equivalent to approximately $17,000). As a result of this acquisition, World Class Land (Georgetown) Holdings Sdn. Bhd. became 95% owned by the Group. The carrying value of the net assets of World Class Land (Georgetown) Holdings Sdn. Bhd. at 12 February 2016 was RM 644,000 (equivalent to approximately $215,000) and the carrying value of the additional interest acquired was RM 32,000 (equivalent to approximately $11,000). The difference of RM 18,000 (equivalent to approximately $6,000) between the consideration and the carrying value of the additional interest acquired has been recognised as "Premium paid on acquisition of non-controlling interests" within equity.

The following summarises the effect of the changes in the Group's ownership interest in World Class Land (Georgetown) Holdings Sdn. Bhd. on the equity attributable to owners of the Company:

	2016
	$'000
Consideration for acquisition of non-controlling interests	17
Decrease in equity attributable to non-controlling interests	(6)
Decrease in equity attributable to owners of the Company	11

11. Development properties

	Group	
	2017	**2016**
	$'000	$'000
Land costs	247,078	257,850
Construction costs	326,758	98,743
Interest costs	69,806	42,241
Professional fees	45,633	34,854
Land tax	5,705	2,679
Other development expenditure	59,450	51,781
Exchange differences	(26)	–
	754,404	488,148
Less: Allowance for write-down of development properties	(1,099)	–
	753,305	488,148

During the financial year ended 31 December 2017, borrowing costs amounting to $27,565,000 (2016: $21,990,000) arising from borrowings obtained specifically for the development properties were capitalised.

A weighted average interest capitalisation rate of 5.75% (2016: 5.55%) per annum was used, representing the actual borrowing costs of the loans used to finance the projects.

Development properties amounting to $732,516,000 (2016: $329,206,000) are pledged as security for bank borrowings (Note 17).

Development properties amounting to $21,600,000 (2016: $4,509,000) were transferred to properties held for sale during the financial year ended 31 December 2017 (Note 12).

11. Development properties (cont'd)

Details of the development properties held by the Group are as follows:

Location	Description and use	Land area (in square metres)	Estimated gross floor area (in square metres)	Tenure	Stage of completion
WCL-Southbank (VIC) Pty. Ltd.					
Australia 108 / 68-82 Southbank Boulevard, Southbank, Melbourne, Victoria, Australia	Residential	2,642	138,282	Freehold	Construction works commenced in November 2015. Expected completion for the last phase: 2020
WCL-A Beckett (VIC) Pty. Ltd.					
Avant / 54-64 A'Beckett Street, Melbourne, Victoria, Australia	Residential	1,298	46,560	Freehold	Construction works commenced in February 2016. Expected completion: 2018
WCL-Central Park (QLD) Pty. Ltd.					
Nova City / 81-83 Spence Street and 112-114 Bunda Street, Cairns, Queensland, Australia	Mixed use development	25,874	115,510	Freehold	Planning and designing
WCL (CNS) CBD Pty. Ltd.					
17 Hartley Street and 6 Kenny Street, Cairns, Queensland, Australia	Mixed use development	16,351	88,295	Freehold	Planning and designing
WCL (QLD) Margaret St Pty. Ltd.					
240 Margaret Street, Brisbane, Queensland, Australia	Residential	1,715	61,252	Freehold	Planning and designing
WCL (QLD) Albert St Pty. Ltd.					
30 Albert Street and 131A Margaret Street, Brisbane, Queensland, Australia	Residential	2,007	76,301	Freehold	Planning and designing

11. Development properties (cont'd)

Location	Description and use	Land area (in square metres)	Estimated gross floor area (in square metres)	Tenure	Stage of completion
World Class Land (Georgetown) Sdn. Bhd.					
240, 242, 244, 246, 248, 250, 252 & 254 Jalan Dato Kramat and 1, 3, 5, 7, 9, 9A & 9B Lebuh Melaka, Penang, Malaysia	Mixed use development	2,067	12,037	Freehold	Planning and designing
57, 59, 61, 63 & 65 Jalan Tan Sri Teh Ewe Lim and 1, 3, 5, 7, 9 & 11 Lorong Juru, Penang, Malaysia	Commercial	859	1,478	Freehold	Planning and designing
83, 85, 87 & 89 Jalan Macalister and 1, 3, 5, 7 & 9 Lebuh Naning, Penang, Malaysia	Commercial	1,077	1,739	Freehold	Refurbishment, upgrading and building works commenced in August 2017
2, 4, 6, 8 & 10 Jalan Hutton, Penang, Malaysia	Commercial	568	897	Freehold	Refurbishment, upgrading and building works commenced in August 2016
WCL (Magazine) Sdn. Bhd.					
237, 239, 241 & 243 Jalan Magazine and 2-G, 2-H & 2-I Jalan Gurdwara, Penang, Malaysia	Commercial	646	979	Freehold	Refurbishment, upgrading and building works completed in 2018
Lots 18, 479, 480 & 10026 Seksyen 11W, Bandar Georgetown, Daerah Timur Laut, Pulau Pinang and 119 Lebuh Noordin, Penang, Malaysia	Mixed use development	2,966	17,496	Freehold	Planning and designing

11. Development properties (cont'd)

Location	Description and use	Land area (in square metres)	Estimated gross floor area (in square metres)	Tenure	Stage of completion
WCL (Macallum) Sdn. Bhd.					
1, 3, 5, & 7 Lebuh Macallum and 170, 172, 174, 176, 178, 180, 182, 184, 186, 188, 190, 192, 194 & 196 Jalan C.Y. Choy, Penang, Malaysia	Mixed use development	2,703	15,651	Freehold	Planning and designing
4, 6, 8, 10, 12, 14, 16 & 18 Lebuh Katz, Penang, Malaysia	Mixed use development	1,470	7,415	Freehold	Planning and designing
50, 52, 54, 56, 58, 60, 62, 64, 66 & 68 Lebuh Cecil, Penang, Malaysia	Mixed use development	1,722	10,490	Freehold	Planning and designing
WCL (Noordin St) Sdn. Bhd.					
32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56 & 56A-I Jalan Gurdwara and 190, 192, 194, 196, 198, 200, 202, 204, 206 & 208 Lebuh Noordin and 2, 4, 6, 8 & 10 Lebuh Ceti, Penang, Malaysia and Lot 1076 Seksyen 11W, Bandar Georgetown, Daerah Timur Laut, Pulau Pinang, Penang, Malaysia	Mixed use development	3,873	4,432	Freehold	Planning and designing
171 Lebuh Noordin, Penang, Malaysia	Commercial	344	614	Freehold	Refurbishment, upgrading and building works commenced in September 2016
36, 38, 38-A, 38-B & 38-C Lebuh Tye Sin, Penang, Malaysia and Lot 711 Seksyen 11W, Bandar Georgetown, Daerah Timur Laut, Pulau Pinang, Penang, Malaysia	Mixed use development	1,174	7,410	Freehold	Planning and designing

11. Development properties (cont'd)

Location	Description and use	Land area (in square metres)	Estimated gross floor area (in square metres)	Tenure	Stage of completion
WCL (Noordin St) Sdn. Bhd.					
140, 142, 144, 146, 148, 150, 150-A, 150-B, 150-C, 150-D & 150-E Lebuh Noordin, Penang, Malaysia	Commercial	1,270	1,339	Freehold	Planning and designing
WCL (Bertam R) Sdn. Bhd.					
424, 426 & 428 Jalan Penang and 2, 4, 6, 8, 10, 12, 14, 16 & 18 Lorong Bertam, Penang, Malaysia	Commercial	911	1,467	Freehold	Planning and designing
WCL (Bertam L) Sdn. Bhd.					
430, 432 & 434 Jalan Penang and 1, 3, 5, 7, 9, 11, 13, 15, 17, 19 & 21 Lorong Bertam, Penang, Malaysia	Commercial	951	1,707	Freehold	Planning and designing

12. Properties held for sale

	Group	
	2017	**2016**
	$'000	$'000
At 1 January	12,754	8,929
Transferred from development properties	21,600	4,509
Enhancement works incurred during the year	–	97
Exchange differences	71	19
	34,425	13,554
Less:		
Transfer to investment properties	(11,798)	–
Properties sold during the year	(724)	(800)
Allowance for write-down of properties held for sale	(227)	–
At 31 December	21,676	12,754

12. Properties held for sale (cont'd)

Details of the properties held for sale by the Group as at the end of the reporting period is as follows:

Location	Description and use	Land area (in square metres)	Tenure
WCL-Cairns (QLD) Pty. Ltd.			
The Woods / Lots 10, 11, 15, 17 & 19, Moore Road, Kewarra Beach, Cairns, Queensland, Australia	Residential	2,094	Freehold
World Class Land (Georgetown) Sdn. Bhd.			
Ropewalk Piazza / 134, 136, 138, 140, 142, 144, 146, 148, 150, 152, 154 & 156 Jalan Pintal Tali, Penang, Malaysia	Commercial	1,085	Freehold
Bahari Parade / 69, 71, 73, 75, 77, 79 & 81 Jalan Sri Bahari, Penang, Malaysia	Commercial	846	Freehold
128, 128A, 128B, 128C, 128D, 128E, 128F & 128G Jalan Transfer, Penang, Malaysia	Commercial	487	Freehold
WCL (Macallum) Sdn. Bhd.			
Macallum Central / 51, 53, 55, 57, 59, 61, 63, 65, 67 & 69 Lebuh Macallum, Penang, Malaysia	Commercial	694	Freehold

As at 31 December 2017, properties held for sale with a carrying value of $16,872,000 (2016: $10,491,000) were pledged as security for bank borrowings (Note 17).

13. Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Trade receivables	53	59	–	–
Other receivables	1,492	558	22	22
Deposits in escrow	–	13,593	–	–
Tax recoverable	122	36	–	–
GST receivables	2,737	1,581	21	21
Total trade and other receivables	4,404	15,827	43	43
Add:				
Due from subsidiaries (non-trade)	–	–	269,714	283,790
Cash and bank balances (Note 15)	12,506	29,290	791	22,353
Less:				
Tax recoverable	(122)	(36)	–	–
GST receivables	(2,737)	(1,581)	(21)	(21)
Total loans and receivables	14,051	43,500	270,527	306,165

13. Trade and other receivables (cont'd)

Trade and other receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Deposits in escrow are placed as security for payments to contractors for construction of the Group's development projects. Deposits in escrow earn interest at floating rates based on daily bank deposit rates.

A floating charge has been placed on trade and other receivables with a carrying value of $296,000 (2016: $503,000) as security for bank borrowings (Note 17). The Group has no receivables that are past due as at 31 December 2017 and 2016.

14. Prepayments

Prepayments mainly relate to various property holding costs.

15. Cash and bank balances

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	$'000	$'000	$'000
Cash at banks and on hand, representing total cash and cash equivalents	12,506	29,290	791	22,353

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash and bank balances denominated in foreign currency which differ from the functional currency of the companies within the Group at 31 December is as follows:

	Group	
	2017	**2016**
	$'000	$'000
Australian Dollars	–	328

A floating charge has been placed on cash and bank balances with a carrying value of $9,287,000 (2016: $3,127,000) as security for interest-bearing loans and borrowings (Note 17).

Purchasers' deposit monies of A$117,658,000 (equivalent to approximately $122,729,000) (2016: A$114,809,000 (equivalent to approximately $119,471,000) pertaining to the development projects for which sale has commenced are placed in escrow held by a third party. In addition, purchasers' deposits in the form of bankers' guarantees of A$9,603,000 (equivalent to approximately $10,017,000) (2016: A$9,755,000 (equivalent to approximately $10,151,000) pertaining to the development projects for which sale has commenced are placed in escrow held by a third party. These balances are not included as assets of the Group as at 31 December 2017 and 2016. The Group will only have access to these funds upon completion and handover of the development projects to the purchasers.

16. Trade and other payables

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Current:				
Trade payables	402	1,989	–	–
Other payables	605	695	24	9
Withholding tax payable	231	258	53	119
Accrued operating expenses	28,812	15,052	2,348	718
	30,050	17,994	2,425	846
Non-current:				
Other payables				
- amount due to non-controlling shareholders of a subsidiary (non-trade)	2,468	1,640	–	–
Total trade and other payables	32,518	19,634	2,425	846
Add:				
Interest-bearing loans and borrowings (Note 17)	291,505	73,766	–	–
Due to immediate holding company (non-trade)	239,697	228,474	239,184	226,892
Due to fellow subsidiaries (non-trade)	138,978	140,618	138,978	140,618
Less:				
Withholding tax payable	(231)	(258)	(53)	(119)
Total financial liabilities carried at amortised cost	702,467	462,234	380,534	368,237

Trade and other payables are unsecured, non-interest bearing and repayment is based on payment terms and conditions agreed.

Amount due to non-controlling shareholders of a subsidiary is unsecured, interest-free and not expected to be repaid in the next 12 months.

17. Interest-bearing loans and borrowings

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Secured borrowings				
Current:				
Term loans	216,550	14,965	–	–
Non-current:				
Term loans	74,955	58,801	–	–
Total loans and borrowings	291,505	73,766	–	–

17. Interest-bearing loans and borrowings (cont'd)

(a) ***Details of securities granted for the secured borrowings are as follows:***

Subsidiaries

Loans and borrowings of $291,505,000 (2016: $73,766,000) are repayable via monthly instalments or one lump sum by their respective maturity dates, bear floating interest which ranged from 3.395% to 7.330% (2016: 3.980% to 6.323%) per annum and are secured by way of:

a. legal mortgages over subsidiaries' investment properties (Note 9), development properties (Note 11) and properties held for sale (Note 12)

b. fixed and floating charge on all assets of certain subsidiaries;

c. corporate guarantee by Aspial Corporation Limited,

d. corporate guarantee by the Company, and

e. guarantees by non-controlling interests of a subsidiary.

The floating interest rates on the loans ranged between 0.50% and 0.75% plus cost of funds, or bank bill swap reference rate (as the case may be) per annum, or was based on the base lending rate minus 1.75% per annum.

The loans include financial covenants which require the subsidiaries to maintain aggregate outstanding debt secured against the properties not exceeding 50% to 80% (2016: 50% to 80%) of the security value of the relevant development properties at all times.

(b) ***Maturity of borrowings***

Loans due after one year are estimated to be repayable as follows:

	Group	
	2017	**2016**
	$'000	$'000
Years after end of reporting period:		
After one year but within two years	40,999	5,954
After two years but within five years	26,784	43,420
After five years	7,172	9,427
	74,955	58,801

(c) ***Fulfilment of loan covenants***

During the financial year ended 31 December 2017, in relation to certain bank loans granted to the Group, the Group did not fulfil requirements to obtain planning permissions and approvals for redevelopment and commence work on redevelopment within a stipulated timeframe from the respective dates of disbursement of the loans. The affected credit line amounting to $3,450,000 was fully drawn down and presented as current liability at the end of the reporting period. The bank is contractually entitled to request for immediate repayment of the outstanding loan amount in the event that these requirements are not fulfilled.

The bank had not requested for immediate repayment of the outstanding loan amount as at the date when these financial statements were authorised for issue. Management commenced renegotiation of the loan agreement terms in November 2017. As of the date the financial statements were authorised for issue, the renegotiation was still in progress. The directors do not expect the non-fulfilment of these requirements to have a material adverse impact to the Group's financial position and financial performance.

17. Interest-bearing loans and borrowings (cont'd)

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

	2016	Cash flows	Non-cash changes		2017
			Foreign exchange movement	Other	
	$'000	$'000	$'000	$'000	$'000
Due to a fellow subsidiary (non-trade)	140,618	(1,640)	–	–	138,978
Due to immediate holding company (non-trade)	228,474	11,223	–	–	239,697
Interest-bearing loans and borrowings					
- current	14,965	183,661	131	17,793	216,550
- non-current	58,801	33,002	945	(17,793)	74,955
Total	442,858	226,246	1,076	–	670,180

The 'other' column relates to reclassification of non-current portion of loans and borrowings due to passage of time.

18. Due from/(to) subsidiaries, immediate holding company and fellow subsidiaries

The amounts due from subsidiaries are interest-bearing at 7.00% to 8.25% (2016: 7.00% to 8.25%) per annum, unsecured, receivable on demand and are to be settled in cash.

Of the total amount due to immediate holding company, an amount of $225,600,000 (2016: $215,100,000) is interest-bearing at 5.75% (2016: 5.25% to 5.75%) per annum, unsecured, with varying maturities of between one and twelve months and is to be settled in cash. The remaining amount due to immediate holding company of $14,097,000 (2016: $13,374,000) is interest-free.

Of the total amount due to fellow subsidiaries, an amount of $130,792,000 (2016: $137,133,000) is interest-bearing at 6.19% to 6.37% (2016: 5.69% to 6.37%) per annum, unsecured, with varying maturities of between one and twelve months and is to be settled in cash. The remaining amounts due to fellow subsidiaries of $8,186,000 (2016: $3,485,000) are interest-free.

19. Share capital and other reserves

(a) ***Share capital***

	Group and Company			
	2017		2016	
	No. of shares		No. of shares	
	'000	$'000	'000	$'000
Issued and fully paid ordinary shares:				
At 1 January	115,000	115,000	115,000	115,000
After sub-division [1]	805,000	115,000	–	–
Issuance of shares pursuant to the initial public offering, including over-allotment [2]	110,875	28,827	–	–
Share issuance expense [3]	–	(1,271)	–	–
At 31 December	915,875	142,556	115,000	115,000

(1) Pursuant to the Extraordinary General Meeting held on 5 May 2017, the shareholders of the Company approved the sub-division of every one share in the capital of the Company into seven shares.

(2) The Company issued 110,875,000 shares at $0.26 per share as part of its listing on the Catalist Board of the Singapore Exchange on 15 June 2017.

(3) Listing expenses incurred pursuant to the Company's listing on the Catalist Board of the Singapore Exchange amounted to $4,758,000, of which $1,271,000 has been capitalised against share capital, while the remaining amount of $3,487,000 has been recorded in profit or loss in the respective financial years that the expenses were incurred.

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 restriction. The ordinary shares have no par value.

(b) ***Other reserves***

	Group	
	2017	2016
	$'000	$'000
Premium received on disposal of equity interest in a subsidiary without loss of control	5	5
Premium paid on acquisition of non-controlling interests	(11)	(11)
Foreign currency translation reserve	(3,823)	(4,229)
	(3,829)	(4,235)

Foreign currency translation reserve

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

19. Share capital and other reserves (cont'd)

(b) ***Other reserves (cont'd)***

Premium received on disposal of equity interest in a subsidiary without loss of control

Premium received on disposal of equity interest in a subsidiary without loss of control represents the excess of the consideration received on disposal of interest in a subsidiary of the Group over the net identifiable assets of the subsidiary attributable to the non-controlling interests (Note 10).

Premium paid on acquisition of non-controlling interests in a subsidiary without loss of control

Premium paid on acquisition of non-controlling interests represents the difference between the consideration paid and the carrying value of non-controlling interests adjusted upon acquisition of interests in subsidiary (Note 10).

20. Related party transactions

(a) ***Sale and purchase of goods and services***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial period:

	Group	
	2017	**2016**
	$'000	$'000
Payable to immediate holding company:		
- Interest expense	(12,751)	(9,836)
- Management fee	(779)	(778)
- Guarantee fee	(501)	(752)
Payable to fellow subsidiaries:		
- Interest expense	(8,165)	(4,981)
- Management fee	–	(355)

(b) ***Compensation of key management personnel***

	Group	
	2017	**2016**
	$'000	$'000
Short-term employee benefits	2,725	811
Central Provident Fund contributions	68	41
Total compensation paid to key management personnel	2,793	852
Comprise amounts paid to:		
Directors of the Company	2,107	488
Other key management personnel	686	364
	2,793	852

21. Commitments

(a) ***Capital commitments***

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2017	2016
	$'000	$'000
Capital commitments in respect of property development expenditure		
- Not later than one year	205,716	183,474
- Later than one year but not later than five years	188,540	421,571
	394,256	605,045

(b) ***Operating lease commitments – as lessor***

The Group has entered into commercial property leases on its standing property at the development site acquired for development properties. The non-cancellable leases on its standing property have remaining lease terms of up to 25 months.

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

	Group	
	2017	2016
	$'000	$'000
Not later than one year	547	252
Later than one year but not later than five years	298	161
	845	413

(c) **Operating lease commitments – as lessee**

As at the end of the reporting year, the Group had lease commitments in respect of office. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Operating lease payments recognised as an expense in the consolidated statement of comprehensive income for the financial year ended 31 December 2017 amounted to $80,000 (2016: $213,000).

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

	Group	
	2017	2016
	$'000	$'000
Not later than one year	49	75
Later than one year but not later than five years	6	26
	55	101

22. Contingencies

Guarantees

The Company has provided corporate guarantees to banks for an aggregate of $156,164,000 (2016: $Nil) in respect of bank borrowings drawn down by certain subsidiaries (Note 17).

23. Segment information

Business segments

The Group is principally engaged in property development, and the segment reporting format is determined to be geographical business segments as the Group's risks and rates of return are affected predominantly by differences in the geographical locations of each segment. The operating businesses are organised and managed separately according to the place of domicile, with each segment representing a strategic business unit that serves different markets.

The Group is organised into two main geographical segments, namely:

(a) Malaysia; and

(b) Australia.

Others refers to the Company's operations in Singapore.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between business segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Capital expenditure comprises additions to plant and equipment.

	Malaysia	Australia	Others	Eliminations	Group	Note
	$'000	$'000	$'000	$'000	$'000	
2017						
Results						
Segment results	(3,045)	(5,853)	(1,785)	967	(9,716)	A
Interest income	48	542	24,820	(24,820)	590	
Finance costs	(3,772)	–	(20,916)	24,160	(528)	
(Loss)/profit before tax from operations	(6,769)	(5,311)	2,119	307	(9,654)	
Segment assets, representing total assets	136,586	671,356	506,768	(504,716)	809,994	
Segment liabilities, representing total liabilities	144,562	447,262	380,736	(269,714)	702,846	

23. Segment information (cont'd)

	Malaysia	Australia	Others	Eliminations	Group	Note
	$'000	$'000	$'000	$'000	$'000	
2016						
Results						
Segment results	(548)	(3,090)	165	(2,136)	(5,609)	A
Interest income	53	196	14,571	(14,367)	453	
Finance costs	(637)	–	(15,402)	14,367	(1,672)	
(Loss)/profit before tax from operations	(1,132)	(2,894)	(666)	(2,136)	(6,828)	
Segment assets, representing total assets	121,538	408,553	465,409	(444,570)	550,930	
Segment liabilities, representing total liabilities	122,555	255,372	368,355	(283,790)	462,492	

Notes

A Inter-segment income is eliminated on consolidation.

Geographical segments

Non-current assets information based on the geographical location of assets are as follows:

	2017	2016
	$'000	$'000
Malaysia	11,930	17
Singapore	129	137

Non-current assets information presented above consist of plant and equipment and investment properties as presented in the statement of financial position.

24. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the current financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and process for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and cash and bank balances. No other financial asset carries a significant exposure to credit risk.

24. Financial risk management objectives and policies (cont'd)

(a) ***Credit risk (cont'd)***

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group focuses its sales efforts on property purchasers located in diversified geographical locations i.e. in Australia and various countries in Asia, such as Singapore, Malaysia, Indonesia, the People's Republic of China and Hong Kong Special Administrative Region of the People's Republic of China. Identified concentrations of credit risks are controlled and managed accordingly. As at 31 December 2017 and 2016, management has assessed that there was no significant concentration of credit risk in respect of purchasers of development projects launched.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

(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 arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding to finance its working capital needs as well as capital expenditure in respect of its development projects, and flexibility through the use of stand-by credit facilities.

In addition, the Group entered into loan agreements with the immediate holding company and a fellow subsidiary on 1 March 2016, pursuant to which the immediate holding company and the fellow subsidiary agreed to extend loans of up to an aggregate principal sum of $325,000,000. On 30 June 2016, the Group entered into a supplemental loan agreement with the immediate holding company and a fellow subsidiary, pursuant to which the immediate holding company and the fellow subsidiary agreed to extend loans of up to an increased aggregate principal sum of $450,000,000. On 31 December 2016, the Group entered into a second supplemental loan agreement with the immediate holding company and a fellow subsidiary, pursuant to which the aggregate principal sum of the loans extended by the immediate holding company and the fellow subsidiary was further increased up to $500,000,000. As at 31 December 2017, the Group has an unutilised balance of $143,608,000 from the loan facility extended by the immediate holding company and the fellow subsidiary.

On 6 September 2016, the Group secured an A$200,000,000 (equivalent to approximately $208,120,000) term loan facility from United Overseas Bank Limited and Malayan Bank Berhad ("UOB-Maybank Loan") for the construction and development of Stage 1.1 of Australia 108. As at 31 December 2017, the Group has drawn down A$113,119,000, equivalent to approximately $117,995,000 under the UOB-Maybank Loan. Subsequent to the end of reporting period, on 25 January 2018 and 28 February 2018, the Group made additional draw down of A$16,193,000 (equivalent to approximately $17,136,000) and A$14,301,000 (equivalent to approximately $14,755,000) respectively under UOB-Maybank Loan.

24. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

On 20 January 2017, the Group entered into a subscription agreement and other ancillary transaction documents for the issuance of A$135,000,000 6.6% fixed rate notes (the "Notes") due January 2021 to be issued in three separate tranches. All three tranches of the Notes are expected to mature on 23 May 2019, with the option to fully redeem on 23 August 2018 or to extend the final maturity date to 23 January 2021. The first and second tranches of the Notes, with principal amounts of A$60,000,000 and A$35,000,000, was issued on 23 January 2017 and 24 July 2017 respectively. Subsequent to the end of the reporting reriod, on 23 January 2018, the third tranche of the Notes with a principal amount of A$40,000,000 was issued. The proceeds from the issuance of the Notes can and will only be primarily used to fund one of the Group's development projects in Australia.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
2017				
Group				
Financial liabilities:				
Trade and other payables	29,819	2,468	–	32,287
Due to immediate holding company (non-trade)	240,265	–	–	240,265
Due to a fellow subsidiary (non-trade)	139,673	–	–	139,673
Interest-bearing loans and borrowings	230,047	73,923	12,617	316,587
Total undiscounted financial liabilities	639,804	76,391	12,617	728,812
2016				
Group				
Financial liabilities:				
Trade and other payables	17,736	1,640	–	19,376
Due to immediate holding company (non-trade)	229,504	–	–	229,504
Due to a fellow subsidiary (non-trade)	141,346	–	–	141,346
Interest-bearing loans and borrowings	18,373	58,292	14,209	90,874
Total undiscounted financial liabilities	406,959	59,932	14,209	481,100

At the end of the reporting period, all of the Company's financial assets and liabilities mature within one year based on the carrying amounts reflected in the financial statements.

24. Financial risk management objectives and policies (cont'd)

(c) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans and borrowings. Other than certain fixed rate bank borrowings, the Group's loans and borrowings are at floating rates which are contractually re-priced at intervals of less than 6 months from the end of the reporting period.

The Group's policy is to manage interest cost by using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if Australian Dollars ("A$") and Malaysian Ringgit ("RM") interest rates had been 100 basis points lower/higher with all other variables held constant, the Company's development properties would have been $2,412,000 (2016: $240,000) and $423,000 (2016: $454,000) lower/higher respectively, and loss net of tax would have been $Nil (2016: $ Nil) and $80,000 (2016: $43,000) lower/higher respectively, arising mainly as a result of lower/higher borrowing cost on floating rate loans and borrowings.

(d) ***Foreign currency risk***

The Company has transactional currency exposures arising from loans extended to its subsidiaries in Malaysia and Australia. These loans are denominated in RM and A$, whereas the Company's functional currency is SGD.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, namely Malaysia and Australia. The Group's net investments in Malaysia and Australia are not hedged as currency positions in RM and A$ are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in RM and A$ exchange rates against SGD, with all other variables held constant.

	Loss before tax	
	2017	**2016**
	$'000	$'000
	lower/higher	lower/higher
RM - strengthened/weakened 5% (2016: 5%)	4,538	3,477
A$ - strengthened/weakened 5% (2016: 5%)	8,947	10,712

25. 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 at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) ***Assets measured at fair value***

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

	Group			
	Quoted prices in active markets for identical assets (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	$'000	$'000	$'000	$'000
2017				
Assets measured at fair value				
Non-financial assets				
Investment properties (Note 9)				
Malaysia	–	–	11,836	11,836
2016				
Assets measured at fair value				
Non-financial assets				
Investment properties (Note 9)				
Malaysia	–	–	–	–

25. Fair value of assets and liabilities (cont'd)

(c) ***Level 3 fair value measurements***

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

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

Description	Fair value at 31 December 2017	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	$'000			$'000
Recurring fair value measurements				
Investment properties:				
Malaysia	11,836	Market comparison approach	Price per square foot	284 - 418

For residential and retail investment properties, a significant increase/(decrease) in price per square feet based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

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

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

	Fair value measurements using significant unobservable inputs (Level 3) Investment properties Malaysia
	$'000
Group	
2017	
Opening balance	–
Transfer from properties held for sale	11,798
Net gain on fair value adjustments of investment properties, representing total gains or losses for the year included in profit or loss	38
Closing balance	11,836

25. Fair value of assets and liabilities (cont'd)

(c) ***Level 3 fair value measurements***

(iii) *Valuation policies and procedures*

The Group's Chief Financial Officer oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's 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 FRS 113 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.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available.

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.

(d) ***Assets and liabilities not carried at fair value but for which fair value is disclosed***

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

	Significant unobservable inputs (Level 3)	Fair value Total	Carrying amount
	$'000	$'000	$'000
Group			
2017			
Liabilities:			
Non-current:			
Other payables	2,346	2,346	2,468
2016			
Liabilities:			
Non-current:			
Other payables	1,578	1,578	1,640

25. Fair value of assets and liabilities (cont'd)

(d) ***Assets and liabilities not carried at fair value but for which fair value is disclosed (cont'd)***

Determination of fair value

Other payables

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending or borrowing at the end of the reporting period.

(e) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value are as follows:

	Carrying amount		**Fair value**	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Financial liabilities:				
Non-current:				
Other payables	2,468	1,640	2,346	1,578

26. Capital management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group assessed the concentration of risk with respect to refinancing its debts and concluded it to be low.

Debt maturing within 12 months can be rolled over with existing lenders. In addition, the Group manages its liquidity and working capital cash flow needs as described in Note 24(b).

The Group 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.

26. Capital management (cont'd)

The Group monitors capital using a gearing ratio, which is the sum of indebtedness divided by equity attributable to owners of the Company. The Group includes within the sum of indebtedness, interest-bearing loans and borrowings, amount due to immediate holding company (non-trade), amount due to a fellow subsidiary (non-trade) and amount due to a non-controlling shareholder of a subsidiary (non-trade).

		Group	
	Note	2017	2016
		$'000	$'000
Interest-bearing loans and borrowings	17	291,505	73,766
Due to immediate holding company (non-trade)		239,697	228,474
Due to fellow subsidiaries (non-trade)		138,978	140,618
Due to non-controlling shareholder of a subsidiary (non-trade)	16	2,468	1,640
Sum of indebtedness		672,648	444,498
Equity attributable to owners of the Company		98,125	79,197
Gearing ratio		6.9	5.6

27. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 23 March 2018.

Statistics of Shareholdings

As at 15 March 2018

SHARE CAPITAL

ISSUED AND FULLY PAID-UP CAPITAL	:	S$142,556,361
NUMBER OF ISSUED SHARES	:	915,874,500
CLASS OF SHARES	:	Ordinary shares
VOTING RIGHTS	:	One vote per ordinary share (excluding treasury shares)
NUMBER OF TREASURY SHARES	:	Nil
NUMBER OF SUBSIDIARY HOLDINGS	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	349	20.99	344,000	0.03
1,001 - 10,000	975	58.63	3,186,400	0.35
10,001 - 1,000,000	317	19.06	25,898,600	2.83
1,000,001 & ABOVE	22	1.32	886,445,500	96.79
TOTAL	**1,663**	**100.00**	**915,874,500**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	ASPIAL CORPORATION LIMITED	742,828,700	81.11
2	KOH WEE SENG	22,250,000	2.43
3	NG SHENG TIONG	22,250,000	2.43
4	TAN SU KIOK	20,000,000	2.18
5	JOEY LAU KEOK KWANG	17,888,000	1.95
6	DBS VICKERS SECURITIES (S) PTE LTD	8,800,000	0.96
7	UOB KAY HIAN PTE LTD	8,564,000	0.94
8	TAY MIAH HIANG	7,500,000	0.82
9	OCBC SECURITIES PRIVATE LTD	5,322,000	0.58
10	CITIBANK NOMINEES SINGAPORE PTE LTD	4,397,000	0.48
11	YEO ENG CHING DANNY	4,000,000	0.44
12	DBS NOMINEES PTE LTD	3,583,300	0.39
13	ONG ZHEN YUAN	3,503,600	0.38
14	SIA LI WEI, JOLIE (SHE LIWEI, JOLIE)	2,500,000	0.27
15	MAYBANK KIM ENG SECURITIES PTE LTD	2,440,000	0.27
16	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	2,415,000	0.26
17	NG KEAN SEEN	2,000,000	0.22
18	LIM SWEE ANN	1,536,900	0.17
19	CHEOK ENG SOON (SHI YONGSHUN)	1,200,000	0.13
20	THIA SIA ENG	1,200,000	0.13
		884,178,500	**96.54**

Statistics of Shareholdings

As at 15 March 2018

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Company's Register of Substantial Shareholders)

	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	% OF SHARES	NO. OF SHARES	% OF SHARES
Aspial Corporation Limited[(1)]	742,828,700	81.11	–	–
Koh Wee Seng[(2) (3)]	22,750,000	2.48	742,828,700	81.11
Koh Lee Hwee[(2) (4)]	–	–	742,828,700	81.11
Ko Lee Meng[(2) (5)]	–	–	742,828,700	81.11
MLHS Holdings Pte Ltd[(1)]	–	–	742,828,700	81.11

(1) MLHS Holdings Pte Ltd ("**MLHS**") is the controlling shareholder of Aspial Corporation Limited ("**Aspial**"), holding approximately 58.76% of the shareholdings of Aspial as at 15 March 2018. MLHS is a private limited company incorporated in Singapore on 14 January 1994. It is an investment holding company. The shareholders of MLHS are Mr Koh Wee Seng (47.00%), Ms Ko Lee Meng (25.75%), Ms Koh Lee Hwee (20.25%), Mdm Tan Su Lan @ Tan Soo Lung (6.00%) and the estate of Mr Koh Chong Him @ Ko Chong Sung (1.00%). Mdm Tan Su Lan @ Tan Soo Lung is the mother of Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng. Ms Ko Lee Meng is the sister of Mr Koh Wee Seng and Ms Koh Lee Hwee.

(2) Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng are directors and substantial shareholders of Aspial through their shareholdings in MLHS. As at 15 March 2018, (i) Mr Koh Wee Seng has direct and deemed interests in 19.29% and 59.02% of Aspial respectively for an aggregate of 78.31%, (ii) Ms Koh Lee Hwee has direct and deemed interests in 1.60% and 59.75% of Aspial respectively for an aggregate of 61.35%, and (iii) Ms Ko Lee Meng has direct and deemed interests in 1.74% and 58.82% of Aspial respectively for an aggregate of 60.56%. Mr Koh Wee Seng is the chief executive officer and executive director of Aspial. Ms Koh Lee Hwee is an executive director of Aspial. Ms Ko Lee Meng is a non-executive director of Aspial.

(3) As at 15 March 2018, Mr Koh Wee Seng holds direct interest in 22,250,000 shares held in his own name and 500,000 shares held in the name of nominee accounts. In addition, Mr Koh Wee Seng is deemed to be interested in the Shares held by Aspial by virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"). As at 15 March 2018, Mr Koh Wee Seng has an interest, directly and indirectly, in approximately 78.31% of the shares in Aspial.

(4) Ms Koh Lee Hwee is deemed to be interested in the Shares held by Aspial by virtue of Section 4 of the SFA. As at 15 March 2018, Ms Koh Lee Hwee has an interest, directly and indirectly, in approximately 61.35% of the shares in Aspial.

(5) Ms Ko Lee Meng is deemed to be interested in the Shares held by Aspial by virtue of Section 4 of the SFA. As at 15 March 2018, Ms Ko Lee Meng has an interest, directly and indirectly, in approximately 60.56% of the shares in Aspial.

SHAREHOLDINGS HELD BY THE PUBLIC

Based on the information available to the Company as at 15 March 2018 and to the best knowledge of the Directors of the Company, approximately 13.91% of the issued ordinary shares of the Company was held by the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"). Accordingly, Rule 723 of the Catalist Rules which requires at least 10% of a listed issuer's equity securities to be held by the public is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of World Class Global Limited (the "**Company**") will be held at 55 Ubi Avenue 1, #06-05, Ubi 55, Singapore 408935 on Wednesday, 25 April 2018 at 3.00 p.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2017, together with the Auditor's Report thereon. — Resolution 1

2. To re-elect Mr Ng Sheng Tiong, a Director of the Company, retiring pursuant to Article 97 of the Company's Constitution and who, being eligible, offers himself for re-election, as a Director of the Company. — Resolution 2

   (See Explanatory Notes)

3. To re-elect the following Directors of the Company retiring pursuant to Article 103 of the Company's Constitution and who, being eligible, offer themselves for re-election, as Directors of the Company:

   (i) Mr Ong Tuen Suan — Resolution 3

   (ii) Mr Yeoh Seng Huat Geoffrey — Resolution 4

   (iii) Mr Tan Seng Chuan — Resolution 5

   (See Explanatory Notes)

4. To approve the payment of Directors' fees of S$240,000 for the financial year ended 31 December 2017. — Resolution 6

5. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. — Resolution 7

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

6. **Authority to issue shares** — Resolution 8

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

   (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) options, 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 of the Company 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 of the Company 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) shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (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) shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by 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) 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 Catalist Rules;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules 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 a 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.

(See Explanatory Notes)

AS OTHER BUSINESS

7. To transact any other business which may properly be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Lim Swee Ann
Yip Chee Kwang

Company Secretaries
4 April 2018, Singapore

Explanatory Notes:

Resolution 2

Mr Ng Sheng Tiong will, upon re-election as a Director of the Company, remain as the Executive Director and Chief Executive Officer of the Company. Detailed information on Mr Ng Sheng Tiong can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's Annual Report 2017. Save as disclosed therein, there are no material relationships (including immediate family relationships) between Mr Ng Sheng Tiong and the other Directors of the Company, the Company or its 10% shareholders.

Resolution 3

Mr Ong Tuen Suan will, upon re-election as a Director of the Company, remain as the Lead Independent Director of the Company, the Chairman of the Nominating Committee and Conflicts Resolution Committee, as well as a member of the Audit Committee and Remuneration Committee. Mr Ong Tuen Suan is considered by the Board of Directors of the Company (the "**Board**") to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Ong Tuen Suan can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's Annual Report 2017. There are no material relationships (including immediate family relationships) between Mr Ong Tuen Suan and the other Directors of the Company, the Company or its 10% shareholders.

Resolution 4

Mr Yeoh Seng Huat Geoffrey will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, the Chairman of the Audit Committee, as well as a member of the Nominating Committee, Remuneration Committee and Conflicts Resolution Committee. Mr Yeoh Seng Huat Geoffrey is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Yeoh Seng Huat Geoffrey can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's Annual Report 2017. There are no material relationships (including immediate family relationships) between Mr Yeoh Seng Huat Geoffrey and the other Directors of the Company, the Company or its 10% shareholders.

Resolution 5

Mr Tan Seng Chuan will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, the Chairman of the Remuneration Committee, as well as a member of the Audit Committee, Nominating Committee and Conflicts Resolution Committee. Mr Tan Seng Chuan is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Tan Seng Chuan can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's Annual Report 2017. There are no material relationships (including immediate family relationships) between Mr Tan Seng Chuan and the other Directors of the Company, the Company or its 10% shareholders.

Resolution 8

The 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, or such authority is revoked or varied by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary shares) in the capital of the Company, of which fifty per centum (50%) may be issued other than on a pro-rata basis to shareholders of the Company.

For determining the aggregate number of shares that may be issued, 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 Ordinary Resolution is passed after adjusting for 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 when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Notice of Annual General Meeting

Notes:

(1) Each of the resolutions to be put to the vote of members at the Annual General Meeting of the Company (and at any adjournment thereof) will be voted on by way of a poll.

(2) A member of the Company (other than a Relevant Intermediary as defined in Note 3 below) entitled to attend, speak and vote at the Annual General Meeting of the Company is entitled to appoint not more than two (2) proxies to attend, speak and vote in his or her stead. A proxy need not be a member of the Company and where a member appoints two (2) proxies, he or she shall specify the proportion of his or her shareholding to be represented by each proxy in the instrument appointing the proxies.

(3) A member of the Company who is a Relevant Intermediary entitled to attend, speak and vote at the Annual General Meeting of the Company is entitled to appoint more than two (2) proxies to attend, speak and vote in his or her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. A proxy need not be a member of the Company and where a member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

"**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

(4) A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

(5) Completion and return of the instrument appointing a proxy or proxies by a member of the Company will not prevent him or her from attending, speaking and voting at the Annual General Meeting of the Company if he or she so wishes. Any appointment of a proxy shall be deemed revoked if a member attends the Annual General Meeting of the Company in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies to the Annual General Meeting of the Company.

(6) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than seventy-two (72) hours before the time appointed for holding the Annual General Meeting of the Company.

(7) The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

(8) Where an instrument appointing a proxy or proxies 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 instrument of proxy, failing which the instrument may be treated as invalid.

(9) This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), ZICO Capital Pte. Ltd., for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this notice.

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

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

PERSONAL DATA PRIVACY:

By attending the Annual General Meeting of the Company and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting of the Company 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing 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), 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) 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.

WORLD CLASS GLOBAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201329185H)

PROXY FORM

IMPORTANT:
1. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his vote(s) at the annual general meeting of the Company ("**AGM**") in person. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ______________________ NRIC/ Passport/ Co. Reg. No. ______________

of ____ (address)

being a member/members of WORLD CLASS GLOBAL LIMITED (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings %

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings %

or failing him/her, the Chairman of the Annual General Meeting of the Company ("**AGM**") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM to be held at 55 Ubi Avenue 1, #06-05, Ubi 55, Singapore 408935 on Wednesday, 25 April 2018 at 3.00 p.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 AGM 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 matters arising at the AGM.

All resolutions put to the vote of the AGM shall be decided by the way of poll. Please indicate the number of votes as appropriate.

**Delete as appropriate*

No.	Ordinary Resolutions	Number of Votes For(1)	Number of Votes Against(1)
	As Ordinary Business		
1	Adoption of the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2017, together with the Auditor's Report thereon		
2	Re-election of Mr Ng Sheng Tiong as a Director of the Company retiring pursuant to Article 97 of the Company's Constitution		
3	Re-election of Mr Ong Tuen Suan as a Director of the Company retiring pursuant to Article 103 of the Company's Constitution		
4	Re-election of Mr Yeoh Seng Huat Geoffrey as a Director of the Company retiring pursuant to Article 103 of the Company's Constitution		
5	Re-election of Mr Tan Seng Chuan as a Director of the Company retiring pursuant to Article 103 of the Company's Constitution		
6	Approval of Directors' fees of S$240,000 for the financial year ended 31 December 2017		
7	Re-appointment of Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration		
	As Special Business		
8	Authority to issue shares		

(1) If you wish to exercise all your votes "For" or "Against", please indicate with a "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of ______________ 2018

Total number of Shares Held	
CDP Register	
Member's Register	
TOTAL	

____
Signature(s) of Members(s) or Common Seal
IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company (other than a Relevant Intermediary as defined in Note 3 below) entitled to attend, speak and vote at the AGM is entitled to appoint not more than two (2) proxies to attend, speak and vote in his or her stead. A proxy need not be a member of the Company and where a member appoints two (2) proxies, he or she shall specify the proportion of his or her shareholding to be represented by each proxy in the instrument appointing the proxies.

3. A member of the Company who is a Relevant Intermediary entitled to attend, speak and vote at the AGM is entitled to appoint more than two (2) proxies to attend, speak and vote in his or her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. A proxy need not be a member of the Company and where a member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

   "**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

4. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

5. Completion and return of the instrument appointing a proxy or proxies by a member of the Company will not prevent him or her from attending, speaking and voting at the AGM if he or she so wishes. Any appointment of a proxy shall be deemed revoked if a member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies to the AGM.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than seventy-two (72) hours before the time appointed for holding the AGM.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

8. Where an instrument appointing a proxy or proxies 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 instrument of proxy, failing which the instrument may be treated as invalid.

9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

10. The Company shall be entitled to reject an instrument of proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 4 April 2018.

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WORLD CLASS GLOBAL

WORLD CLASS GLOBAL LIMITED
(Incorporated in the Republic of Singapore on 29 October 2013)
(Company Registration Number: 201329185H)

55 Ubi Avenue 1
#05-16 Ubi 55
Singapore 408935