ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

FORGING NEW PATHS

Annual Report 2021

Contents

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FORGING **NEW PATHS**

The impact of COVID-19 has had far reaching impact on the global economy, causing businesses around the world to reflect, reimagine, and reset their existing growth strategies and even corporate structures in order to outlast the pandemic.

At Asia-Pacific Strategic Investments Limited ("APS" or the "Group"), we have also taken time to re-chart the best way forward for our current portfolio - a hotel already in operation and a sizable plot of land in Huzhou, Zhejiang Province. We are confident that our revised plans will position the Group well to take hold of opportunities resulting from China's rapidly ageing population as well as the strong demand for local tourism, especially cultural tourism.

To reflect these changes, we have renamed our development project "Project Phoenix" 凤凰洲项目, and our 113-room riverside boutique hotel is now known as Anatole by Landison Hotel Huzhou ("Landison Hotel") 湖州雷迪森怿曼酒店 as a result of its hotel brand franchise agreement with Zhejiang Tourism Investment Hotel Group 浙江浙旅投酒店集团有限公司, one of China's largest with 157 hotels under its management.

Our vision for Project Phoenix goes beyond filling the gap in China's senior housing shortage - we are determined to forge a reputation for APS to become a choice partner for integrated active ageing retirement townships offering a comprehensive range of services and activities for seniors as well as their families when they visit. In addition, tourists on a cultural visit to Huzhou and nearby attractions will find our Landison Hotel conveniently located and luxuriously comfortable for their stopover stay.

In ***forging*** these ***new paths*** to create value for shareholders, we will remain open to evaluate other investment opportunities that may arise to push ahead and establish a strong brand reputation in the hospitality and retirement village sectors for APS in China and Southeast Asia.

Corporate **Profile**

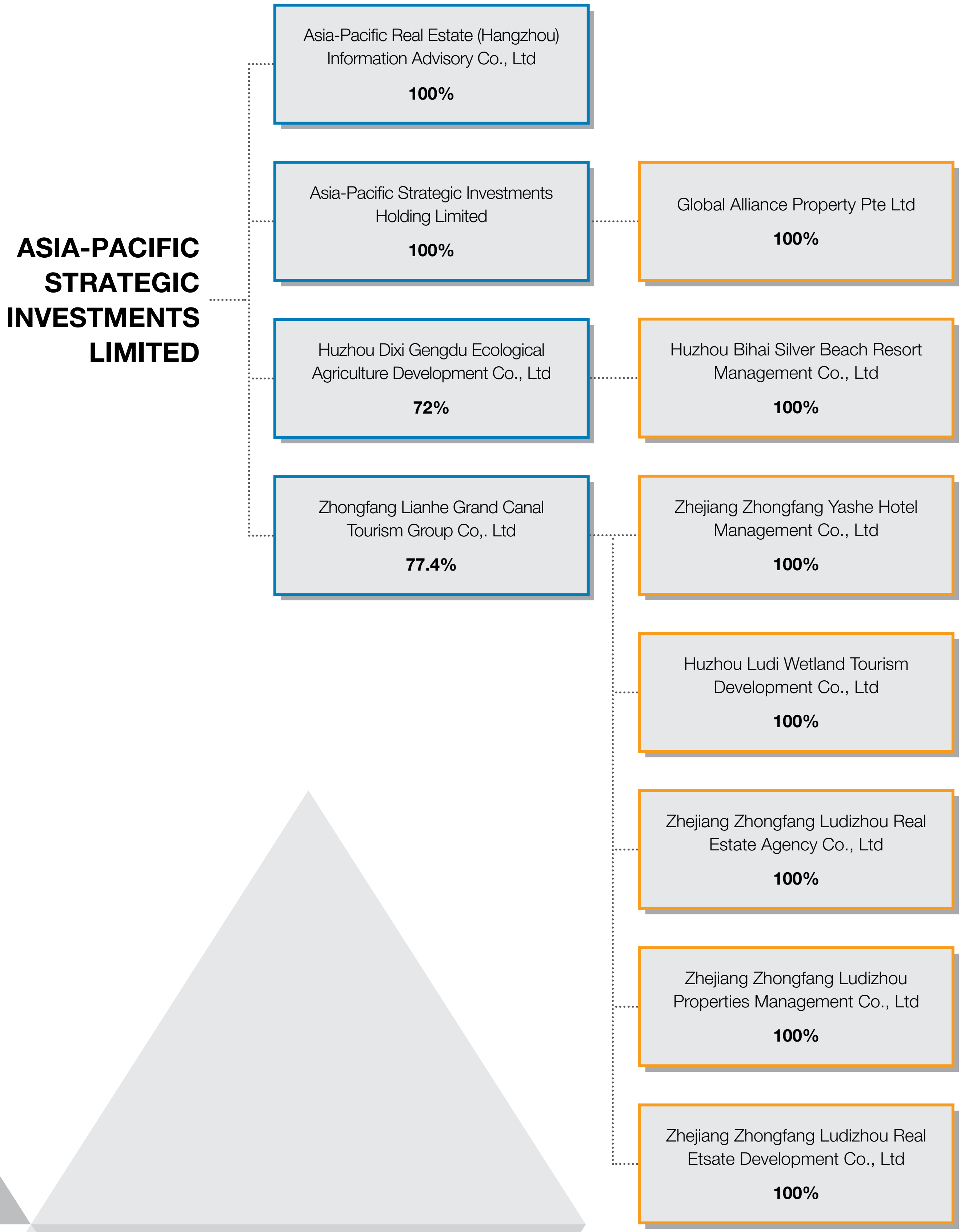
Asia-Pacific Strategic Investments Limited ("APS" or the "Group"), formerly known as China Real Estate Grp Ltd., is a real estate developer focusing on the hospitality sector and retirement villages, which cater to the aspirations and needs of the growing elderly population, in China and Southeast Asia.

The Group's project in Huzhou, or Project Phoenix 凤凰洲项目 (previously named Huzhou Project), is its first foray into China, after it gained majority control of two property companies in Huzhou, Zhejiang Province in 2017. Central to our revised development plan is an integrated residential-cum-active ageing hub supported by healthcare-related, commercial, educational and family entertainment facilities that promote overall well-being and life-long learning.

Digang Town 荻港村, where the project is situated, and its surrounding area has a rich and unique cultural legacy with historical landmarks such as the famous Mulberry-dyke and Fish Pond 桑基鱼塘. We will therefore position Project Phoenix to not only enhance the rich cultural heritage of the ancient city of Huzhou, but also to build on its farming and ecological background to develop a modern aquaculture industry in the area. We will provide more details about the Project Phoenix development when the *Huzhou City National Land and Space 2020-2035* is finalised.

The Group is also well placed to tap into China's growing cultural tourism market through its 113-room luxury riverside boutique hotel which is strategically sited adjacent to Project Phoenix in Huzhou. Through a hotel brand franchise agreement with Zhejiang Tourism Investment Hotel Group 浙江浙旅投酒店集团有限公司 ("ZTIHG"), the Anatole by Landison Hotel Huzhou 湖州雷迪森怿曼酒店 (previously known as Cheery Hotel Huzhou) is well connected to ZTIHG's wide network of 157 hotels in 14 Chinese provinces under brands such as Landison and Deefly, to expand its client base.

Corporate **Structure**



Chairman's **Statement**

Dear Shareholders,

Many cultures attach great importance to the choice of given names as they often convey hopes of noble ambition and character. In the same way, the name change of the company back to Asia-Pacific Strategic Investments Limited ("APS" or the "Group"), approved by shareholders at the Annual General Meeting held on 30 December 2020, underlines our vision to establish the Group as a significant and distinctive real estate developer and investor beyond China, to Southeast Asia.

However, building a name for APS in the industry takes time and must be founded on developing each project we undertake well, starting with our first two properties – a hotel already in operation and a sizeable plot of land – in the Chinese city of Huzhou, Zhejiang Province.

We therefore took the opportunity during this time of disruption caused by COVID-19 to carefully review and rechart the Group's strategic thrust for China and Southeast Asia, especially in the light of developments that are already shaping consumption trends in the region.

One trend is the still strong demand for leisure, social and even business travel around the world, currently temporarily muted by lockdowns and international border restrictions. In China, the demand for local tours, and increasingly for cultural-themed trips, has not been dampened by the intermittent periods of inter-provincial travel restrictions to stem the rise of COVID infections. In fact, pent-up demand has driven Chinese domestic travel to a post-pandemic recovery which has rebounded to surpass 2019 peaks[1].

Another trend is the world's growing ageing population which will drive demand for healthcare and elderly-related services and facilities, including retirement villages. By 2050, it has been forecasted that one in four people in Asia-Pacific will be 60 years old or older, tripling between 2010 and 2050 to about 1.3 billion people[2]. And by 2050 in China, the elderly will form about a third of the population, creating an acute shortage of senior housing, facilities and other services if the supply of these is not accelerated[3].

As a result of these trends, we have set our strategic focus to develop and invest in quality hospitality assets and integrated retirement villages in China and Southeast Asia to grow our standing and brand in the real estate industry.

FORGING NEW PATHS IN HOSPITALITY

The recovery in domestic tourism in China is still exposed to temporary setbacks due to sporadic outbreaks of COVID-19, but there remains strong underlying demand in the sector, especially in local cultural tourism as national parks, museums, historical streets, cultural heritage sites and art galleries dominate searches and discussions on the internet[4].

Well placed to ride on this trend is the Group's 113-room luxury riverside boutique hotel which lies in the heart of the ancient city of Huzhou with its rich legacy in calligraphy, painting and silk cultivation.

The hotel has been renamed Anatole by Landison Hotel Huzhou 湖州雷迪森怿曼酒店 (previously known as Cheery Hotel Huzhou) as a result of the Group's recently concluded hotel brand franchise agreement with Zhejiang Tourism Investment Hotel Group 浙江浙旅投酒店集团有限公司 ("ZTIHG"), one of the largest in China with a wide network of 157 hotels in 14 Chinese provinces under brands such as Landison and Deefly.

The experience gained from successfully growing Hotel Landison's reach through working with ZTIHG will not only strengthen our capabilities in the hospitality sector, but will also be invaluable in our search for new hotel projects in China and Southeast Asia.

FORGING NEW PATHS IN RETIREMENT VILLAGES

Even though couples in China will now be allowed to have up to three children, the country will still need to deal with its 'massive' demographic challenge caused by a rapidly ageing population over the next three decades[5].

It was with this need in mind that we revised our master development plan to build an integrated residential-cum-active ageing hub in Huzhou instead. Renamed "Project Phoenix" 凤凰洲项目 (previously known as the Huzhou Project), we intend the hub to be supported by a comprehensive range of professionally managed healthcare-related (including a hospital, specialist clinics and senior activity centres), commercial, educational and family entertainment facilities that promote overall well-being and life-long learning.

We also plan to position Project Phoenix to enhance the rich and unique cultural heritage of Huzhou as well as build on the city's historical farming and ecological background to develop a modern aquacultural industry around Mulberry-dyke and Fish Pond, designated as one of the world's Globally Important Agriculture Heritage Systems by the United Nation's Food and Agriculture Organisation since 2017.

As our project will provide employment for local residents as well, we believe that Project Phoenix will stand to benefit from China's recently announced "common prosperity" initiative which aims to improve income distribution by directing resources into rural areas.

Our revised master development plan under Project Phoenix has received positive feedback from the relevant local government authorities and we will provide more details about the project when the *Huzhou City National Land and Space 2020-2035* is finalised and published.

While Project Phoenix will help to meet the shortage in senior housing and facilities in China, our broader objective is to build on our achievements in this development to forge a reputation for APS as a choice partner for other integrated active ageing retirement townships in and outside China.

ACKNOWLEDGMENTS AND APPRECIATION

On behalf of the Board, I would like to thank our shareholders, clients and business associates for their steadfast confidence and patience in our ability to spearhead the Group's strategic move into the hospitality and senior village sectors in China and Southeast Asia.

To all our directors, staff and management, thank you for your unwavering trust, perseverance and hard work as we work together, forging new paths to build a solid reputation and bright future for APS in real estate.

Dato' Dr Choo Yeow Ming
Chairman

[1] *McKinsey & Company, 30 August 2021: "China's uneven travel recovery – Long road to international travel furthers domestic opportunities"*
[2] *asiapacific.unfpa.org: "About Ageing"*
[3] *Deloitte: "China's Senior Housing – Now and the Future"*
[4] *scmp.com, 19 August 2021: "How has China's travel industry been hurt by the coronavirus pandemic, and when will tourism recover?"*
[5] *scmp.com, 26 August 2021: "Xi Jinping urges China to achieve 2021 economic, social targets while maintaining coronavirus controls"*

Operations **Review**

FY2021 IN REVIEW

Asia-Pacific Strategic Investments Limited ("APS" or the "Group") almost doubled its revenue to S$1.2 million in the financial year ended 30 June 2021 ("FY2021") due to higher monthly receipts from its hotel which was operating for 12 full months.

In contrast, the Group's 113-room luxury boutique hotel Anatole by Landison Hotel Huzhou 湖州雷迪森怿曼酒店 ("Landison Hotel", previously known as Cheery Hotel Huzhou) commenced full operations in October 2019 but had to temporarily suspend operations for about two months in February and March 2020 in compliance with a local government directive as part of China's anti-coronavirus measures.

In line with the improved hotel operations, the Group's gross profit increased from S$0.2 million in FY2020 to S$0.9 million in FY2021. This, together with lower expenses in distribution, marketing and administration and higher net other gains largely enabled the Group to pare its net loss to S$5.1 million in FY2021 compared with the previous net loss of S$6.9 million.

In FY2021, the Group recorded a decline of S$2.5 million in cash and cash equivalents due mainly to the rise in net cash used in operating activities to S$5.8 million which was partially offset by net cash provided by investing and financing activities. The cash outflow resulted largely from the operating loss of S$3.2 million and the net decrease in working capital of S$2.5 million.

BUILDING OUR NAME

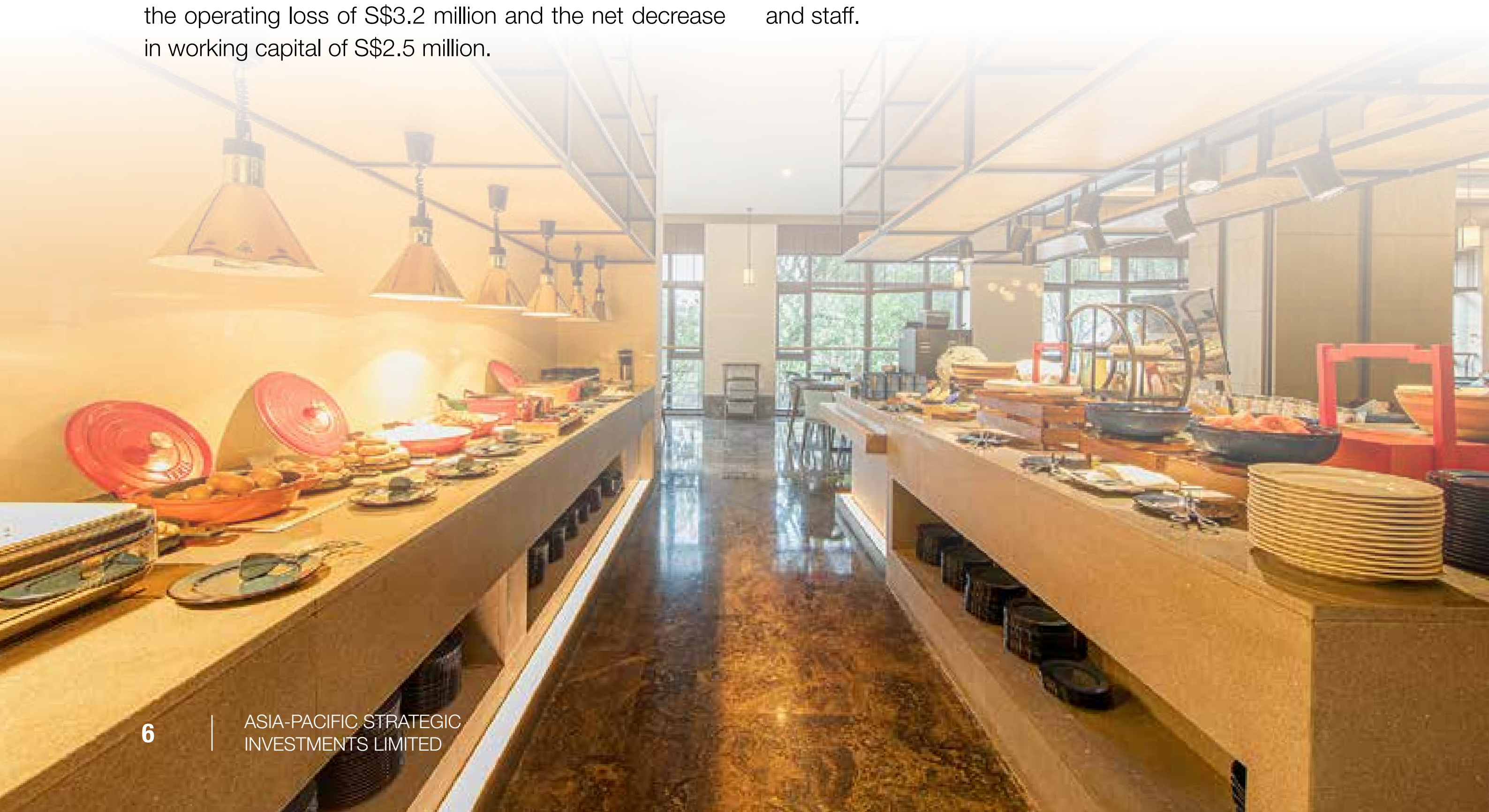
Hospitality Division

Landison Hotel has been steadily growing its clientele base in spite of temporary disruptions to its operations as a result of sporadic outbreaks of COVID-19 in China – occupancy rates during the April to June 2021 quarter, for instance, averaged about 40%.

While this is encouraging, we decided that after having been in operation for 22 months, a revamp was timely to push Landison Hotel and its nearby attractions towards attaining their full potential.

After reviewing various options, including a management contract with a new hotel group, the Group entered into a hotel brand franchise agreement with the Zhejiang Tourism Investment Hotel Group 浙江浙旅投酒店集团有限公司 ("ZTIHG"), one of China's largest hotel management groups, in August 2021.

On top of the licence to use ZTIHG's Anatole by Landison brand and related branding standards and procedures, the agreement allows the Group to ride on ZTIHG's brand management and centralised booking systems to operate the Anatole by Landison franchise. Other benefits include the ability to cross-sell with other hotels within ZTIHG, centralised procurement of certain items, and access to structured training programmes for our hotel management and staff.



We believe that by tapping into ZTIHG's wide network of 157 hotels in 14 Chinese provinces, Landison Huzhou will be able to expand its clientele base as well as raise the awareness and visibility of Huzhou's rich cultural heritage and unique recreational sites such as the Huzhou Yuanxiang Town Park and Huzhou Mulberry-dyke and Fish Pond.

On our part, we will continue to work with various parties to develop attractive hotel stay packages for business meetings, leisure travel and banquet functions such as weddings to support the revenue from rooms and F&B activities.

Another positive development will be the completion of the Shanghai-Hangzhou-Huzhou high-speed rail by 2024 which will make the hotel and city even more accessible. By then, Huzhou will be just 18 minutes from Hangzhou and 30 minutes from Shanghai. The rail is now under construction and the Huzhou-Hangzhou stretch is expected to be ready next year.

Real Estate Division

The Group has also reviewed and revised its previous development plan, named Huzhou Project, for the 320-hectare site in Huzhou in view of China's fast ageing population. After much deliberation, the central theme of our revised plan, renamed Project Phoenix 凤凰洲项目, will focus on meeting the overall living and socio-cum-healthcare needs and aspirations of the elderly.

As an integrated residential-cum-active ageing township, Project Phoenix will allocate space for supporting healthcare-related, commercial, educational and family entertainment facilities. We also plan to enhance the rich cultural and agricultural heritage of the area.

To-date, we have built an access road on the site and about 64,000m^2 of land has been cleared and ready for development.

Outlook

The COVID-19 pandemic continues to evolve, with new variants reported globally so that fresh outbreaks may be expected from time to time, as seen in the recent emergence of new infections in China's south-eastern province of Fujian.

As such disruptions can occur at any time, we expect the next 12 months to remain challenging for our hotel operations.

As for Project Phoenix, the Group's revised development plan was presented to the relevant local government agencies in April 2021. While we have received positive feedback from the agencies, we will only be able to furnish more details about our development when the *Huzhou City National Land and Space 2020-2035* is finalised and published.

We are, however, not deterred by these uncertainties. In forging new paths for growth, we have set our course to build our name as a distinctive and reputable developer and investor of much sought after quality assets in the hospitality and retirement village sector, in China and Southeast Asia.

Significant **Events**

DATE	FINANCIAL CALENDAR
30 Dec 2020	Annual General Meeting
10 Feb 2021	Announcement of 1HFY2021 Financial Results
26 Aug 2021	Announcement of 2HFY2021 and FY2021 Financial Results

DATE	SIGNIFICANT ANNOUNCEMENTS
30 Aug 2020	Announced the application to the SGX-ST for an extension of time to announce its unaudited financial statements for financial year ended 30 June 2020 ("FY2020") from the current deadline of 29 August 2020 to 28 October 2020, and for an extension of time to hold its annual general meeting ("AGM") for FY2020 from the current deadline of 31 October 2020 to 30 December 2020. An application had also been submitted to the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") for an extension of time to hold its AGM for FY2020 by 30 December 2020 and to file its annual return for FY2020 by 29 January 2021 (the "ACRA Applications"). The Company has received approval from ACRA for the ACRA Applications on 27 August 2020.
16 Sep 2020	Grant of extension of time from the SGX-ST to announce the unaudited financial results of the Company for FY2020 by 28 October 2020 and the Company's application for an extension of time to hold the AGM for FY2020 by 30 December 2020.
21 Sep 2020	Sale and Purchase Agreement (the "28% SPA") with 中房联合置业集团有限公司 (the "Vendor") for the proposed acquisition of the remaining 28% issued equity interest in Zhongfang Lianhe Grand Canal Cultural Tourism Group Co., Ltd 中房联合大运河文化旅游集团有限公司 (the "Target Company") for a consideration of RMB9,800,000 (the "Proposed 28% Acquisition") - received a Writ of Summons from No. 4 Intermediate People's Court of Beijing, the People's Republic of China, whereby the Vendor has made an application to the court seeking the following: i) to compel the Company to complete the Proposed 28% Acquisition and pay to the Vendor the consideration of RMB9,800,000 (approximately S$1,970,000 at an exchange rate of RMB1 = S$0.201) immediately; ii) to pay to the Vendor the late payment penalty of RMB1,930,600 (approximately S$388,000 at an exchange rate of RMB1 = S$0.201); and iii) to pay the Vendor's cost of action on an indemnity basis. The Company is currently seeking legal advice from its legal counsel, Shanghai Hiways Law Firm 上海市海华永泰律师事务所 on the above matter with a view to proceed on a course of action that is in the best interest of the Company. Pursuant to legal advice received from its legal counsel, the Board is of the view that the Vendor's claim is without basis as, *inter alia*, the 28% SPA has terminated and has ceased to have any force and effect as of 7 April 2020 and the Vendor has in a letter dated 30 April 2020 acknowledged the termination of the Proposed 28% Acquisition.
4 Dec 2020	The 28% SPA - the Court has passed a judgement on 27 November 2020, dismissing the applications by the Vendor in its entirety.
31 Dec 2020	Announced the change of the Company name to Asia-Pacific Strategic Investments Limited with effect from 31 December 2020 and the change of its trading counter name will take effect from 9.00 a.m. on 6 January 2021.
26 Mar 2021	Announced an additional investment of RMB10 million in the registered share capital of its subsidiary in China, Zhongfang Lianhe Grand Canal Cultural Tourism Group Co., Ltd 中房联合大运河文化旅游集团有限公司 (the "Grand Canal Group"). Following the additional investment, the equity interests of the Company in Grand Canal Group has increased from 72% to 76.7% and the remaining equity interests is held by **中房联合置业集团有限公 司**.
22 April 2021	Announced the entry into a non-binding term sheet (the "Term Sheet") with a corporation (the "Seller") for the acquisition of the Seller's hospitality business (the "Target") consistent with the Group's principal activities. Pursuant to the Term Sheet, the Company will issue new ordinary shares in the capital of the Company for the acquisition of the 100% equity interest in the Target (the "Proposed Acquisition"). The Proposed Acquisition is in the preliminary stage. The Company and the Seller are in the process of negotiating the terms of the Proposed Acquisition and the definitive agreement(s) to be entered into. There is no certainty or assurance that any definitive agreement(s) will be entered into.
18 Jun 2021	Announced the change of the Company's continuing sponsor from Stamford Corporate Services Pte Ltd to PrimePartners Corporate Finance Pte Ltd ("PPCF"). The change of the continuing sponsor is due to commercial reasons, specifically that the Company is of the view that PPCF may be better positioned to advise on future corporate action(s) to be undertaken by the Company.

Board of **Directors**

Dato' Dr Choo Yeow Ming

Chairman and Chief Executive Officer ("CEO")

Dato' Choo was appointed as Director of APS since 6 July 2006. As CEO, he is responsible for the overall operations, management, strategic planning and business development of the Group. A lawyer by training, Dato' Choo obtained his law degrees from the University of Malaya, the Chicago-Kent College of Law and the Harvard University Law School. Thereafter, Dato' Choo practiced as an attorney in Chicago, Minneapolis, New York and Hong Kong, specialising in capital market transactions, mergers and acquisitions. Dato' Choo was a partner at Winthrop Stimson Putnam & Roberts (now known as Pillsbury Winthrop) from 1992 to 2001, before becoming the executive chairman of Capital Strategic Investment Limited, which is listed on the Hong Kong Exchanges and Clearing Limited. In that role, Dato' Choo took overall management responsibility for Capital Strategic Investment Limited before he stepped down in 2005.

Lum Moy Foong

Non-Executive Director

Ms Lum was appointed to the Board on 22 March 2018. She graduated with a Bachelor of Business (Accountancy) from the Royal Melbourne Institute of Technology, Australia. She has more than 25 years of experience in handling the finance, corporate affairs, legal and corporate secretary matters of public listed companies and private limited companies. She is currently the chief financial officer and executive director of a non-listed public company.

Dr Lam Lee G

Lead Independent Director

Dr Lam was appointed to the Board on 5 June 2007. He is chairman of Hong Kong Cyberport Management Company Limited. He started his career in Canada at Bell-Northern Research (the R&D arm of Nortel) and in Hong Kong at Hong Kong Telecom. He later joined Singapore Technologies Telemedia (then part of Temasek Holdings) and BOC International Holdings (the international investment banking arm of the Bank of China group) where he served as Vice-Chairman and Chief Operating Officer of its investment banking division. Until late 2006, Dr Lam was President and Chief Executive Officer of Chia Tai Enterprises International (now called C.P. Lotus Corporation, then part of CP Group). He was Chairman - Hong Kong / Vietnam / Cambodia / Laos / Myanmar / Thailand and Senior Adviser – Asia of Macquarie Capital, and Non-Executive Chairman – Greater China and ASEAN Region and Chief Advisor - Asia of Macquarie Infrastructure and Real Assets.

Dr Lam is a solicitor of the High Court of Hong Kong and holds a Bachelor of Science in Sciences and Mathematics, a Master of Science in Systems Science, and a Master of Business Administration, all from the University of Ottawa in Canada, a post-graduate diploma in public administration from Carleton University in Canada, a post-graduate diploma in English and Hong Kong Law and a LLB (Hons) in law from Manchester Metropolitan University in the United Kingdom, a LLM in law from the University of Wolverhampton in the United Kingdom, a PCLL in law from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS, and an a Master of Public Administration and a Doctor of Philosophy from the University of Hong Kong. In 2019, Dr. Lam was awarded a Bronze Bauhinia Star (BBS) by the Government of the Hong Kong Special Administrative Region.

Board of **Directors**

Chew Soo Lin

Independent Director

Mr Chew was appointed to the Board on 5 June 2007. He qualified as an U.K. Chartered Accountant in 1971 and worked with international audit firms in England and Singapore till 1978 when he joined the Khong Guan group of companies. Mr Chew is currently the executive chairman of Khong Guan Limited. Mr Chew was previously deputy managing director of Khong Guan Holdings (Malaysia) Bhd and executive director of United Malayan Flour Mills Bhd, which were public listed companies in Malaysia.

Lien Kait Long

Independent Director

Mr Lien was appointed to the Board on 16 May 2018. He holds a Bachelor of Commerce in Accountancy from Nanyang University Singapore and is a fellow member of both the Institute of Singapore Chartered Accountants and CPA Australia. He has experience in accounting and finance, corporate management and business strategy and investment. He has held a number of senior management positions as well as executive directorships in various public and private corporations in Singapore, Hong Kong and China. Mr Lien has garnered more than 16 years of experience serving as independent director cum chairman of audit committee on the board of several Singapore and Chinese companies listed on the Singapore Exchange.

Key **Management**

Lee Keng Mun

Chief Operating Officer

Mr Lee joined the Company in November 2007 as Group Financial Controller and was promoted to the post of Chief Financial Officer in November 2009 and Chief Operating Officer in December 2016. In his role, he is responsible for overseeing the Group's business and operations, which include but are not limited to business development, finance, administration, corporate secretarial functions, corporate governance and communication. Mr Lee was a member of the Board from November 2012 to October 2019.

Before joining the Group, Mr Lee was with the assurance and advisory business services division of Ernst & Young Singapore from January 2007 to October 2007. He was with Deloitte & Touche Malaysia from May 1997 to February 2005. From March 2005 to December 2006, he joined as senior manager of a listed company of Bursa Malaysia. Mr Lee holds a Bachelor of Accounting from the University of Malaya and is a member of the Institute of Singapore Chartered Accountants and the Malaysian Institute of Accountants.

Joey Wu

Group Financial Controller

Ms Wu joined the Company in July 2009 as Project Accountant and was promoted to Group Financial Controller in December 2016. She started her career in Ernst & Young and has more than 30 years of management and finance experience in a various industries, including fast-moving consumer goods and leisure industries.

Ms Wu has held managerial positions in companies like Visa International (Asia-Pacific), LLC, Burberry (Singapore) Distribution Co Pte Ltd and Pernod Ricard Singapore Pte Ltd. She holds a Bachelor of Accountancy degree from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants.

Financial **Highlights**

Key Financial Ratios	FY2019	FY2020	FY2021
Loss per share (S$ cents)	(0.03)	(0.03)	(0.02)
Net Asset Value per share (S$ cents)	0.3	0.2	0.2

Income Statement (S$ million)	FY2019	FY2020	FY2021
Revenue	7.7	0.6	1.2
Net Loss attributable to equity holders of the Company	(6.0)	(5.9)	(3.8)

Balance Sheet (S$ million)	FY2019	FY2020	FY2021
Total assets	62.6	64.1	62.9
Total liabilities	4.5	12.9	17.5
Shareholders' equity	50.3	44.4	39.4
Cash and cash equivalents	6.9	4.0	1.5

Corporate **Governance Report**

Asia-Pacific Strategic Investments Limited (the "Company") and its subsidiaries (collectively, the "Group") are committed to maintaining a high standard of corporate governance and has put in place self-regulatory corporate practices to protect the interests of its shareholders and enhance long-term shareholder value.

This Corporate Governance Report describes the Company's corporate governance processes and activities that are currently in place for the financial year ended 30 June 2021, with special reference to the relevant provisions of the Code of Corporate Governance 2018 (the "Code").

In line with the Code, the Board of Directors (the "Board") hereby confirms that the Company has generally adhered to the principles and guidelines of the Code and deviations from any guidelines of the Code are disclosed and explained in this report.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board comprises:

Dato' Dr Choo Yeow Ming (Chairman and Chief Executive Officer)
Lum Moy Foong (Non-Executive Director)
Dr Lam Lee G (Lead Independent Director)
Chew Soo Lin (Independent Director)
Lien Kait Long (Independent Director)

The Board oversees the affairs of the Group and focuses on strategies and policies, with particular attention paid to growth and financial performance. It delegates the formulation of business policies and day-to-day management to the executive directors. The Board is responsible for:

1. providing entrepreneurial leadership, setting strategic directions and long-term goals of the Group, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;

2. establishing a framework of prudent and effective controls that enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Group's interests;

3. reviewing and evaluating Management performance towards achieving set organisational goals;

4. identifying the key stakeholder groups and recognising that their perceptions affect the Group's reputation;

5. setting the Group's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met;

6. considering sustainability issues, e.g. environmental, social and governance aspects, as part of its strategic formulation;

7. ensuring the Group's compliance with laws, regulations, policies, directives, guidelines and internal code of conduct; and

8. reviewing and approving half-year and full-year results announcements.

Corporate **Governance Report**

The directors of the Company are of the view that they have objectively discharged their duties and responsibilities at all times as fiduciaries in the interest of the Company.

The Board also delegates certain of its functions to the Audit, Nominating and Remuneration Committees and these functions are described separately under the various sections below that cover each committee. Each committee has its own defined terms of reference and operating procedures. Each of these committees reports its activities regularly to the Board.

The Board meets at least two times a year to review and deliberate on the key activities and business strategies of the Group, including reviewing and approving acquisition and financial performance, and to endorse the release of the interim and annual results. *Ad hoc* meetings are held as and when circumstances require, such as to address significant transactions or issues. Where physical meetings are not possible, timely communication with members of the Board and Board Committees are carried out through electronic means and circulation of written resolution for approval of the Board or the relevant Board Committees. The Company's Constitution allow a board meeting to be conducted by way of a telephone conference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear one another.

The number of meetings held in respect of the financial year ended 30 June 2021 and the attendance of the directors are set out in the table below:

Directors' Attendance at Board and Board Committee Meetings								
	Board Meeting		**Audit Committee Meeting**		**Nominating Committee Meeting**		**Remuneration Committee Meeting**	
Name of Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Dato' Dr Choo Yeow Ming	2	2	2[1]	2	1	1	1[1]	1
Lum Moy Foong	2	2	2[1]	2	1[1]	1	1[1]	1
Dr Lam Lee G	2	2	2	2	1	1	1	1
Chew Soo Lin	2	2	2	2	1	1	1	1
Lien Kait Long	2	2	2	2	1[1]	1	1	1

[1] By invitation.

Directors with multiple board representations have given sufficient time and attention to the affairs of each company.

The Company has adopted internal guidelines setting forth matters that require Board approval, examples of which include corporate plans, material acquisitions and disposals of assets, share issuances, dividends and other returns to shareholders. Clear directions have been imposed on the Management that such matters must be approved by the Board. All directors objectively take part in decisions affecting the interests of the Company. Each Director abstains from voting on any resolution and making any recommendation and/or participating in discussion on matters in which he/she is interested.

In order to ensure that the Board is able to fulfill its responsibilities, Management provides Board members with management accounts of the Group and regular updates on the financial position of the Company. In addition, all relevant information on material events and transactions is circulated to directors as and when they arise. The Board members have separate and independent access to Management. Whenever necessary, senior management staff will be invited to attend the Board meetings and Audit Committee meetings to answer queries and provide detailed insights into their areas of operations.

The Board members have separate and independent access to the Company Secretary. Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its committees and between Management and non-executive directors, advising the Board on all governance matters, while also facilitating orientation and assisting professional development as required. The Company Secretary attends all Board meetings and meetings of Board Committees. The Company Secretary assists the Board in ensuring that Board procedures and relevant rules and regulations are complied with. The Board decides on the appointment and removal of the Company Secretary.

The Board, either individually or as a group, in the discharge of its duties, has access to independent professional advice, if necessary, at the Company's expense.

Newly appointed directors will undergo an orientation programme where the Chief Executive Officer briefs them on the Group's business, policies and governance practices to ensure that they are familiar with these areas. Directors and key management personnel are encouraged to undergo, at the Company's expense, relevant training to enhance their skills and knowledge, particularly regarding new laws, regulations and changing risks that affect the Group's operations. Other areas where training is provided include governance practices as well as accounting, legal and industry-specific knowledge.

There was no new Director appointed during the financial year ended 30 June 2021.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Company has in place a Board Diversity Policy which advocates meritocracy and endorses the principle of having a board with the appropriate and right balance of skills, knowledge, experience and diversity of perspectives which can contribute effectively to the strategy and growth of the Company. In reviewing Board composition and succession planning, the Nominating Committee (the "NC") considers the benefits of all aspects of diversity, including diversity of skills, age, experience, gender and knowledge of the Company. A key requirement is that only individuals with broad-based experiences and right skills set will be appointed to the Board. The Board has a female representation on its Board. The Board is fully supportive of the policy and together with the NC will set the relevant objectives to promote gender diversity to support the long-term success of the Company.

The Board, taking into account the nature and scope of the Group's operations and the impact of the number of directors upon effectiveness in decision making, is of the view that the current board size of five directors of which majority of the directors are independent, is appropriate. The Board exercises judgment on corporate affairs objectively and independently, in particular, from Management and no individual or small group of individuals dominates the Board's decision-making.

The Company complied with Provisions 2.2 and 2.3 of the Code whereby the Independent Directors of the Company made up a majority of the Board where the Chairman of the Board is an Executive Director. The Non-Executive Directors (which include the Independent Directors) also made up a majority of the Board.

The independent directors consist of respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary. These competencies include accounting, finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge. None of the independent directors have any relationship with the Company, its related corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interests of the Company. None of the independent directors fall within the circumstances described in Rule 406(3)(d) of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange and Securities Trading Limited (The "SGX-ST"). The NC deliberates annually to determine the independence of a director bearing in mind the salient factors as set out under the Code as well as all other relevant circumstances and facts. Each of the independent directors has confirmed that he considers himself as independent having regard to the factors set out under the Code. The NC has reviewed, determined and confirmed the independence of all the independent directors.

The non-executive director constructively challenges and helps develop proposals for strategy, and also reviews the performance of Management in meeting, agreed goals and objectives, and monitor the reporting of performance.

The Board continually reviews its size and composition with a view towards the refreshing of the Board and to strike the appropriate balance and diversify of skills, experience, and knowledge of the Company to support the Group's businesses and strategy.

Board membership is refreshed progressively and in an orderly manner, bearing in mind the contributions from longstanding directors who have over time developed an understanding and insight into the Group's businesses.

To meet the changing challenges in the industry and countries which the Group operates in, such reviews, which include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on an annual basis to ensure that the Board dynamics remain optimal.

Even though Dr Lam Lee G and Mr Chew Soo Lin have served on the Board for more than nine years, the NC, with the concurrence of the Board, is of the view that in assessing the independence of the independent directors, one should consider the substance of their independent judgement, professionalism, integrity and the objectivity and not merely based on the number of years which they have served on the Board. In view of this, having considered the above and weighing the need for progressive refreshing of the Board, the NC and the Board have determined that Dr Lam Lee G and Mr Chew Soo Lin's tenure in office have not affected their independence or ability to bring about independent and considered judgement to bear in the discharge of their duties as members of the Board.

They provide a strong independent element on the Board, being free from any business or other relationship, which could materially interfere with the exercise of their judgement. These directors continue to provide stability to the Board and the Company has benefited greatly from the presence of individuals who are independent and with integrity and specialised knowledge and experience in their own field. Furthermore, their length of service on the Board has not only allowed them to gain valuable insight into the Group, its business, markets and industry, but has also given them the opportunity to bring the full breadth and depth of their business experience to the Company.

In view of the amendments to the Catalist Rules, effective from 1 January 2022, which requires the re-appointment of Directors who have served the Board beyond nine years from the date of their first appointment to be subjected to a two-tier shareholders voting in order to be considered independent, the Company has put in place the two-tier shareholders voting for any Independent Director who has been a director for an aggregate period of more than 9 years seeking re-election in the Annual General Meetings held from 2020 onwards. The shareholders had at the Annual General Meeting of the Company held on 30 December 2020 ("FY2020 AGM"), approved the resolution on the continuation of Dr Lam Lee G as an Independent Director until the earlier of (i) his retirement or his resignation, or (ii) the conclusion of the Company's third annual general meeting following the FY2020 AGM.

Mr Chew Soo Lin will be subjected to the two-tier shareholders voting process at the forthcoming Annual General Meeting to be held on 29 October 2021.

The Non-Executive Director and Independent Directors meet as and when necessary and at least once a year without the presence of the Management.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Notwithstanding Provision 3.1 of the Code which requires that the Chairman and Chief Executive Officer (the "CEO") be separate persons, the Chairman of the Company, Dato' Dr Choo Yeow Ming, is also the Group CEO. As Chairman, he is responsible for the effective workings of the Board. The responsibilities of the Chairman include:

1. leading the Board to ensuring its effectiveness in all aspects of its role;

2. setting the agenda and ensuring that information flow and timing are adequate for discussion of all agenda items, in particular strategic issues;

3. promoting a culture of openness and debate at the Board;

4. ensuring that the directors receive complete, adequate and timely information;

5. ensuring effective communication with shareholders;

6. encouraging constructive relations within the Board and between the Board and Management;

7. facilitating the effective contribution of the non-executive director in particular; and

8. promoting high standards of corporate governance.

In his role as CEO, Dato' Choo is the most senior executive in the Group and holds executive responsibility for the Group's business. He is assisted by Management in the management of day-to-day operations. In addition, the Board has established various committees that are made up of mainly independent directors. The Board has demonstrated that it is able to exercise independent decision-making.

As the Chairman and the CEO are the same person, the Board has appointed Dr Lam Lee G as the Lead Independent Director as recommended under the Code. He is the principal liaison person on board issues between the Independent Directors and Executive Chairman. Dr Lam would be available to shareholders if they have concerns in situations where contact through the normal channels of Chairman and CEO or the Chief Operating Officer has failed to resolve the issue or for which such contact is inappropriate. Accordingly, the Board believes that there is an appropriate balance of power and accountability, and that the Board is capable of independent decision making.

The lead independent director meets the other independent directors periodically without the presence of executive director.

All the Board Committees are chaired by independent directors and more than half of the Board consists of independent directors. In view of the above, the NC, with concurrence of the Board is of the opinion that Dato' Choo's dual roles as the Chairman and CEO of the Company do not affect the independence of the Board.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The members of the NC are as follows:

Dr Lam Lee G (Chairman)
Dato' Dr Choo Yeow Ming (Member)
Chew Soo Lin (Member)

The majority of the NC members, including the Chairman of the NC are independent. The NC is scheduled to meet at least once a year. The NC is regulated by a set of terms of reference and its role is to establish a formal and transparent process for:

1. making recommendations to the Board on all Board appointments;

2. the re-nomination of the directors for re-election following their retirement pursuant to the Company's Constitution, having regard to each such director's past contribution and performance, skillset and his ability for his future contribution;

3. determining annually whether or not a director is independent in accordance with the guidelines set out in the Code;

4. deciding whether or not a director is able to and has adequately carried out his duties as a director;

5. subject to the Board's approval, deciding on how the Board's performance is to be evaluated and proposing objective performance criteria that address how the Board has enhanced long-term shareholder value;

6. carrying out the process (to be implemented by the Board) to assess the effectiveness of the Board as a whole and the contribution by each individual director to the effectiveness of the Board;

7. reviewing and making recommendation to the Board on relevant matters relating to the succession plans of the Board in particular the Chairman, the CEO and key management personnel; and

8. reviewing and making recommendations to the Board on the training and professional development programme for the Board and its directors.

In the selection and nomination for new directors, the NC identifies the key attributes that an incoming director should have, based on attributes of the existing Board and the requirements of the Group. After endorsement by the Board of the key attributes, the NC taps the resources of the directors' personal contacts for recommendations of potential candidates. The potential candidates will go through a shortlisting process. Interviews are then set up with the shortlisted candidates for the NC to assess them before a decision is made.

Corporate **Governance Report**

New directors are appointed by way of a board resolution, after the NC has approved their nominations. Such new directors submit themselves for re-election at the next Annual General Meeting ("AGM") of the Company.

According to the provisions of the Constitution of the Company, all directors are required to submit themselves for re-nomination and re-election at regular intervals and at least once every three years. The NC has recommended and the Board has agreed the independent directors, Mr Chew Soo Lin and Mr Lien Kait Long are to retire pursuant to Article 91 of the Company's Constitution. Mr Chew and Mr Lien, being eligible and having consented, will be nominated for re-appointment at the forthcoming AGM. The information required under Rule 720(5) of the Catalist Rules on the directors nominated for re-election are set out in Appendix A to this corporate governance report.

In recommending the above directors for re-appointment, the NC has given regard to the results of the Board's assessment in respect of their competencies in fulfilling their responsibilities as directors to the Board.

The directors named above do not have any relationship (including immediate family relationship) with directors, the Company or its 5% shareholders.

All directors are required to declare their board representations as at the date of this annual report. The date of initial appointment and the last re-election of each director to the Board together with his directorship in other listed companies, both current and those held over in the preceding three years, are set out below:

Name of director	**Date of first appointment to the Board**	**Date of last re-election as director**	**Current directorships in other listed companies**	**Past directorships in other listed companies (preceding three years)**	**Other principal commitments**
Dato' Dr Choo Yeow Ming	6 July 2006	30 October 2019	N.A.	*Listed on the SGX-ST* - IPC Corporation Limited	N.A.
Lum Moy Foong	22 March 2018	30 December 2020	N.A.	N.A.	- Oei Hong Leong Art Museum Limited

Corporate **Governance Report**

Name of director	Date of first appointment to the Board	Date of last re-election as director	Current directorships in other listed companies	Past directorships in other listed companies (preceding three years)	Other principal commitments
Dr Lam Lee G	5 June 2007	30 December 2020	*Listed on the SGX-ST* - Alset International Limited - Beverly JCG Ltd - Thomson Medical Group Limited *Listed on the Hong Kong Stock Exchange* - China LNG Group Limited - CSI Properties Limited - Elife Holdings Limited - Greenland Hong Kong Holdings Limited - Haitong Securities Company Limited - Hang Pin Living Technology Company Limited - Hong Kong Aerospace Technology Group Limited (formerly known as Eternity Technology Holdings Limited) - Huarong International Financial Holdings Limited - Kidsland International Holdings Limited - Mei Ah Entertainment Group Limited - Mingfa Group (International) Company Limited - National Arts Entertainment and Culture Group Limited - Sunwah Kingsway Capital Holdings Limited - Vongroup Limited	*Listed on the SGX-ST* - Top Global Limited (privatised and delisted from the SGX-ST on 17 August 2021) *Listed on the Hong Kong Stock Exchange* - Aurum Pacific (China) Group Limited - Huarong Investment Stock Corporation Limited - China Shandong High-Speed Financial Group Limited - Glorious Sun Enterprises Limited - Green Leader Holdings Group Limited - Hsin Chong Group Holdings Limited - Tianda Pharmaceuticals Limited *Listed on the Toronto Stock Exchange* - Sunwah International Limited	- Hong Kong Cyberport Management Company* - Pacific Basin Economic Council* - United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Sustainable Business Network (ESBN)* * voluntary/pro-bono/ community service role

Corporate **Governance Report**

Name of director	Date of first appointment to the Board	Date of last re-election as director	Current directorships in other listed companies	Past directorships in other listed companies (preceding three years)	Other principal commitments
			Listed on Bursa Malaysia - TMC Life Sciences Berhad *Listed on the London Stock Exchange* - Jade Road Investments Limited (formerly known as Adamas Finance Asia Limited) *Listed on the Australian Securities Exchange* - AustChina Holdings Limited		
Chew Soo Lin	5 June 2007	30 October 2019	*Listed on the SGX-ST* - Khong Guan Limited - Duty Free International Limited - MTQ Corporation Limited *Listed on Bursa Malaysia* - Kim Hin Joo (Malaysia) Berhad	N.A.	- Khong Guan Group Pte Ltd - Cepheus Corporation Pte Ltd
Lien Kait Long	16 May 2018	29 October 2018	*Listed on the SGX-ST* - Falcon Energy Group Limited - Tat Seng Packaging Group Ltd *Listed on OTC USA* - China Enterprises Limited	*Listed on the SGX-ST* China Jishan Holdings Limited (privatised and delisted from the SGX-ST on 10 December 2020) - IPC Corporation Limited - Renewable Energy Asia Group Limited (delisted from the SGX-ST on 7 February 2020)	Nil

The Company has guidelines in place to address the issue of competing time commitments faced by directors serving on multiple boards and the Board has adopted a general guideline that the maximum number of listed company board representations which any director may hold is six. Any exception to this guideline should be specifically approved by the NC, giving regard to whether the particular director would still be able to devote sufficient time and attention to the affairs of the Company, taking into consideration the director's number of listed company board representations and his other principal commitments. Currently, the only director with more than six listed company board representations is Dr Lam. Dr Lam attended all of the Board and committee meetings and has provided constructive inputs in the meetings. As such, the Board and the NC are satisfied that sufficient time and attention was given and due responsibilities were discharged by Dr Lam for the affairs of the Company.

There are no alternate directors appointed by the Company.

Profiles of the directors are found on pages 9 and 10 of this Annual Report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of its board committees and individual directors.

The NC has established a formal appraisal process to assess the performance and effectiveness of the Board as a whole as well as to assess the contribution of individual directors. The appraisal process focuses on a set of performance criteria that includes evaluation of the Board composition and size, provision of information to the Board, the Board process, the Board accountability, performance benchmarks and the Board's standards of conduct. Such performance criteria are approved by the Board and they address how the Board has enhanced long-term shareholder value. The performance criteria do not change unless circumstances make it necessary and a decision to change them would be justified by the Board.

A review of the Board's performance is conducted by the NC annually. Each NC member will be required to complete an appraisal form to be returned to the NC Chairman for evaluation. Based on the evaluation results, the NC chairman will present his recommendations to the Board. The objective of the evaluation exercise is to obtain constructive feedback from each NC member to continually improve the Board's performance. Recommendations to further enhance effectiveness of the Board are implemented as appropriate.

The NC has reviewed the performance of the Board and is satisfied that the Board as a whole and Board Committees have met the performance criteria and objectives and each Director has contributed effectively and demonstrated commitment to their respective roles, including commitment of time for the Board and Board Committee meetings and any other duties in the financial year under review.

All NC members have abstained from voting or review process of any matters in connections with the assessment of his/her performance or re-appointment as a Director of the Company.

No external facilitator was used in the evaluation process.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policy on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Remuneration Committee ("RC") comprises the following directors:

Chew Soo Lin (Chairman)
Dr Lam Lee G (Member)
Lien Kait Long (Member)

The RC is made up entirely of independent non-executive directors so as to minimize the risk of any potential conflict of interest. The RC is scheduled to meet at least once a year. The RC is regulated by a set of terms of reference and has access to independent professional advice inside and outside the Company, if necessary, in respect of the remuneration of all directors and key management personnel.

The RC's main duties are:

1. recommending to the Board a remuneration framework for each director (executive and independent) and key management personnel;

2. determining the appropriateness of the remuneration packages for each director (executive and independent) and key management personnel;

3. reviewing the Company's obligations arising in the event of termination of the executive director and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous; and

4. considering all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind.

For the financial year under review, the Company did not engage any remuneration consultants.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Company adopts a formal and transparent procedure for developing policy on key management personnel remuneration and for fixing remuneration packages of individual directors. No director is involved in deciding his own remuneration. In setting remuneration packages, the Company takes into account pay and employment conditions of comparable companies in the same or similar industries, as well as the Group's relative performance and the performance of individual director or key management personnel.

Executive director do not receive director's fees. The remuneration policy for executive director and key management personnel consists of fixed cash component and an annual variable component. The fixed component includes salary, pension fund contributions, annual wage supplement and other allowances. The variable component comprises bonus and profit sharing, payable on the achievement of corporate and individual performance targets. The Company has no long-term incentive schemes involving the offer of shares or granting of options as it considers that administering such scheme is not cost effective currently.

The Company has entered into a service agreement (the "Service Agreement") with the executive director, Dato' Dr Choo Yeow Ming. The Service Agreement can be terminated by either party giving not less than three months' notice and both parties have the option to pay salary in lieu of any required period of notice. Except for such payment in lieu of notice as provided for under the Service Agreement, no compensation or damages are payable by the Company to Dato' Dr Choo Yeow Ming in respect of his termination in accordance with the terms of the Service Agreement.

The non-executive and independent directors do not have any service contracts. They are paid a basic fee and additional fees for serving on any of the committees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and the responsibilities of the directors are taken into account. The total fees payable to directors are subject to approval by shareholders at the AGM of the Company.

The current service agreement entered with the Executive Director is approved by the RC and it does not contain contractual provisions to allow the Company to reclaim incentive components of remuneration from executive director and key management personnel in exceptional circumstances such as misstatement of financial results, or 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 breaches of fiduciary duties. The RC may, if necessary in the future, consider the use of such contractual provisions as may be appropriate.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Notwithstanding Provision 8.1 of the Code, in view of competitive pressure for talent in the industry and confidentiality issues, the Board, on review, decided not to disclose the remuneration of the Company's directors and key management personnel in dollar amounts. The breakdown, showing the level and mix of each individual director's remuneration paid or payable in bands of S$250,000 for the financial year ended 30 June 2021 is as follows:

Name of Director	**Remuneration Band S$**	**Fixed Salary %**	**Annual Wage Supplement %**	**Director Fees %**	**Total %**
Dato' Dr Choo Yeow Ming	250,000 – 499,999	92	8	-	100
Lum Moy Foong	< 250,000	-	-	100	100
Dr Lam Lee G	< 250,000	-	-	100	100
Chew Soo Lin	< 250,000	-	-	100	100
Lien Kait Long	< 250,000	-	-	100	100

The Board believes that such disclosure is sufficient to enable shareholders to understand the Company's remuneration policies for directors, and the relationship between remuneration and performance.

The Company has only two key management personnel (who are not directors or the CEO) and the disclosure of their remuneration in bands of S$250,000 for the financial year ended 30 June 2021 is as follows:

Name of Key Management	Remuneration Band S$	Fixed Salary %	Annual Wage Supplement %	Total %
Lee Keng Mun	250,000 – 499,999	92	8	100
Wu Joey	< 250,000	92	8	100

In financial year ended 30 June 2021, the aggregate amount of remuneration paid to the above key management personnel was approximately S$372,000.

There is no employee of the Group who is a substantial shareholder of the Company, or an immediate family member of any director, the CEO or substantial shareholder whose remuneration exceeds S$100,000 for the financial year ended 30 June 2021.

No termination or retirement benefits or post-employment benefits were granted to the directors, the CEO or key management personnel in the course of financial year ended 30 June 2021.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensure that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is committed to maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems.

The Board reviews annually the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls. The Audit Committee, on behalf of the Board, review the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems established by management. This process ensures that such systems are sound and adequate in providing reasonable assurance of the adequacy and effectiveness of the Group's internal controls, in addressing financial, operational, compliance and information technology risks and of the Group's risk management systems. While no cost-effective internal control system can provide absolute assurance against loss and misstatement, the Group's internal controls and systems have been designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably protected against, proper accounting records are maintained and financial information used within the business and for publication is reasonable and accurate.

The Board has received assurance from the CEO and Chief Operating Officer (who also oversees the finance function of the Group):

1. that the financial records have been properly maintained and that the financial statements give a true and fair view of the Company's operations and finances; and

2. adequate and effective risk management and internal control systems have been put in place.

At present, the Board relies on the internal auditor, the external audit reports and management letter prepared by the external auditor to highlight any material non-compliance or weaknesses in internal control. There were no major weaknesses in internal controls highlighted by the Group's external auditor or the internal auditor for the attention of the AC for financial year ended 30 June 2021.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Audit Committee and the Board are of the opinion that the Group's internal controls are adequate and effective to address financial, operational, compliance and information technology risks, and that risk management systems are adequate and effective in the Group's current business environment.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The Audit Committee (the "AC") is comprised entirely of independent non-executive directors, namely:

Lien Kait Long (Chairman)
Dr Lam Lee G (Member)
Chew Soo Lin (Member)

The Board considers that the members of the AC are appropriately qualified to discharge their responsibilities. All members of the AC have many years of experience in senior management positions and have accounting or related financial management expertise and experience. None of the AC members were previous directors of the Company's external auditing corporation within the last two years and none of the AC members hold any financial interest in the external auditing corporation.

The AC is scheduled to meet at least two times a year. The AC is regulated by a written set of terms of reference and has carried out its duties, according to the terms of reference as follows:

1. reviewing the audit plans and reports of the Company's internal and external auditors;

2. reviewing the financial statements 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 and compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

3. reviewing internal controls and procedures and ensuring co-ordination between the external auditors and Management, reviewing the assistance given by Management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters that auditors might wish to discuss (in the absence of Management where necessary);

4. reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;

5. reviewing and evaluating the independence and performance of the external auditors;

6. considering the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors and approving the remuneration and terms of engagement;

7. reviewing and approving interested person transactions, if any, that fall within the scope of Chapter 9 of the Catalist Rules;

8. reviewing any potential conflicts of interest and ensuring that procedures for resolving such conflicts are sufficient and strictly adhered to by the Company;

9. reviewing the Company's foreign exchange exposure and procedures to manage its foreign currency risk;

10. reviewing the effectiveness and adequacy of internal controls, including financial, operational, compliance and information technology controls;

11. reviewing the effectiveness of the Group's internal audit function;

12. reviewing significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;

13. reviewing the adequacy of the Company's business risk management process;

14. reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

15. reviewing arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions;

16. undertaking other such reviews or projects as might be requested by the Board and reporting to the Board its findings from time to time on matters that arise and require the attention of the AC; and

17. generally undertaking other such functions or duties as might be required by statute or the Catalist Rules and by amendments made thereto from time to time.

In addition to the above, the AC has explicit authority to investigate any matter within its terms of reference, full access to Management and its cooperation, and full discretion to invite any director or key management personnel to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC discussed the key audit matters for FY2021 with Management and the external auditor. The AC concurs with the basis and conclusions included in the independent auditor's report with respect to key audit matters. For more information on the key audit matters, please refer to pages 48 to 53 of this Annual Report.

The external auditor Nexia TS Public Accounting Corporation provides regular updates and periodic briefings to the AC regarding changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and their corresponding impact on the financial statements, if any.

The Company does not have any whistle-blowing policy. However, staff of the Company was informed about various avenues, including the chairman of the AC, to report on possible improprieties in matters of financial reporting or other matters. For the financial year ended 30 June 2021, there were no complaints, concerns of issues received by the AC.

During the financial year ended 30 June 2021, the AC reviewed and approved the internal and external audit plans and financial results. The AC met once with the external and internal auditors without the presence of Management.

Having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement director assigned to the audit, the firm's other engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, the Board and the AC are of the opinion that a suitable auditing firm has been appointed to meet the auditing obligations of the Company and its significant subsidiaries. The Company has complied with Rules 712 and 715 of the Catalist Rules.

The AC assesses the independence of the external auditor annually. The aggregate amount of fees paid to the external auditor for the financial year ended 30 June 2021 was:

	S$'000
Audit fees	85
Non-audit fees	7
Total fees	92

The AC has reviewed the non-audit services rendered by the external auditor for the financial year ended 30 June 2021, and is satisfied that the nature and extent of such services has not impaired the independence and objectivity of the external auditor.

Having reviewed, amongst others, the scope and quality of the audit and the independence of the external auditor, the AC recommended and the Board approved that Nexia TS Public Accounting Corporation be nominated for re-appointment as external auditor of the Company at the forthcoming AGM.

Internal Audit

The Company has established an internal audit function that is independent of the activities it audits. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company. As recommended by the AC, the Company has outsourced the internal audit function to an independent corporation, Crowe Horwath First Trust Risk Advisory Pte Ltd ("Crowe Horwath"). The AC approves the appointment, termination, evaluation and compensation of the internal auditor. The internal auditor reports to the Chairman of the AC on audit matters and to the CEO for administrative matters. The internal audit plan was approved by the AC and the results of the audit findings were submitted to the AC for its review.

The AC reviews annually the scope and results of the internal audit. During the financial year ended 30 June 2021, Crowe Horwath reviewed key internal controls in selected areas as advised by the AC and reported its findings together with recommendations on areas for improvement to the AC for review and approval, so as to improve the development of better and more effective internal controls. The AC is satisfied that the Group's internal audit function is independent, effective and adequately resourced, and has appropriate standing within the Group. The AC is also satisfied that the internal auditor meets the standards set by internationally recognised professional bodies, including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business that could have a material impact on the share price or value.

The Company strongly encourages shareholder participation during the general meetings of shareholders. Shareholders are able to proactively engage the Board and Management regarding the Group's business activities. Shareholders are informed of the rules, including voting procedures that govern general meetings of shareholders.

The Constitution of the Company allows a member, including corporations, of the Company to appoint one or two proxies to attend and vote instead of the member. The Company also allows corporations which provide nominee or custodial services to appoint more than two proxies. These allow shareholders who hold shares through corporations to attend and participate in the AGM as proxies.

Shareholders are encouraged to attend the AGM as this is the principal forum for any dialogue they may have with the directors and Management of the Company.

At the Company's AGM, shareholders are given the opportunity to voice their views and ask directors or Management questions regarding the Company. The chairmen of the AC, RC and NC and the external auditor will normally be present at the AGM and other general meetings of shareholders to assist the Board in addressing shareholders' questions. For financial year ended 30 June 2020, all Directors were present at the Company's general meetings held on 30 December 2020.

The Company's Annual Report, together with the notice of the AGM, is dispatched to shareholders at least 14 calendar days before the AGM (excluding the date of notice and the date of meeting). Every matters requiring shareholders' approval at general meetings is proposed as a separate resolution. Each item of special business included on the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution.

The Company has introduced the system of voting by poll and the results of each resolution put to vote at the AGM are announced with details of the percentage voting in favour and against. Notwithstanding Provision 11.4 of the Code which requires absentia voting at general meetings of shareholders to be made available, the Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

In view of the current COVID-19 situation, the forthcoming AGM to be held in respect of financial year ended 30 June 2021 will be convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"), and the joint statement issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation providing additional guidance on the conduct of general meetings of listed and non-listed entities during elevated safe distancing period (the "Guidance"). Alternative arrangements relating to attendance at the AGM via electronic means, submission of questions to the Chairman of the AGM in advance, addressing of substantial and relevant questions at the AGM (if any) and appointing the Chairman of the AGM as the proxy, will be put in place. Minutes of the AGM held on 29 October 2021 will be published on the SGXNet and also on the Company's corporate website within one (1) month after the AGM date.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the directors might deem appropriate. The Board is not recommending any dividends for financial year ended 30 June 2021 because of losses incurred and the financial position of the Company.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

In line with the Company's obligations for continuing disclosure, the Board's policy is for shareholders to be informed of all major developments and transactions that have an impact on the Group.

The Company does not practice selective disclosure. The Board will communicate pertinent information to its shareholders on a regular and timely basis through:

1. the Company's annual report, which is prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future development and other disclosures required by the Singapore Companies Act and the Singapore Financial Reporting Standards (International);

2. interim and full year financial statements containing a summary of the financial information and affairs of the Group. These are announced via the SGXNet;

3. notices of annual general meetings and extraordinary general meetings;

4. analysts' briefings;

5. announcements via SGXNet regarding major developments that affect the Group; and

6. the Group website at http://www.asiastrategic.com.sg from which shareholders can access information on the Group. The website provides, *inter alia*, all publicly disclosed financial information, corporate announcements, annual reports, and profiles of the Group.

The Company will hold an AGM in October 2021. Such AGMs represent its principal forum of dialogue and interaction with shareholders. The Company will consider the use of other forums set out in the Code as and when such needs arise.

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

An important starting point in the Company's sustainability journey is to identify our stakeholders and material aspects relevant to the Company's business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, customers, suppliers, employees, investors, government and regulators. The Company adopts both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into the Company's corporate strategies to achieve mutually beneficial relationships.

The information on the Company's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during financial year ended 30 June 2021 will also be set out in the Company's sustainability report which will be published in November 2021.

The Company maintains a current corporate website (http://www.asiastrategic.com.sg) to communicate and engage with stakeholders.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Currently, the Group does not have in place CSR policies or practices. However, the Group will consider *ad hoc* practices when it arises.

DEALINGS IN SECURITIES

In compliance with the best practices introduced by the SGX-ST, the Company has devised its own internal compliance code to provide guidance to its officers. Directors and employees of the Company are advised not to deal in the Company's shares on short term considerations or when they are in the possession of unpublished price-sensitive information. The Company prohibits dealings in its shares by its officers and employees during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full-year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), or one month before the announcement of the Company's half-year and full-year financial statements (if the Company does not announce its quarterly financial statements).

MATERIAL CONTRACTS

Save for the Service Agreement between the Executive Director and the Company, there were no material contracts (including loans) of the Company or its subsidiaries involving the interests of the CEO, directors or controlling shareholders that subsisted at the end of the financial year or had been entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

The Group has adopted an internal policy in respect of any transaction with interested parties within the definition of Chapter 9 of the Catalist Rules and it has set out procedures to review and approve all interested person transactions.

The AC will meet half yearly to review interested person transactions, if any.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)
-	-	-	-

RISK MANAGEMENT AND PROCESSES

The Company does not have a Risk Management Committee. However, Management regularly reviews the Group's business and operational activities to identify areas involving significant business risks as well as appropriate measures to control and mitigate such risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

SPONSORSHIP

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. During the financial year ended 30 June 2021, the Company changed its continuing sponsor from Stamford Corporate Services Pte Ltd ("SCSPL") to PrimePartners Corporate Finance Pte Ltd ("PPCF"). The change of the continuing sponsor is due to commercial reasons, specifically that the Company is of the view that PPCF may be better positioned to advise on future corporate action(s) to be undertaken by the Company.

For the financial year ended 30 June 2021, SCSPL and PPCF did not provide any other non-sponsor services to the Company and no non-sponsor fees were paid during the financial year. However, Morgan Lewis Stamford LLC which is an affiliate of SCSPL, was paid an amount of S$8,000 for legal services provided to the Company for the financial year ended 30 June 2021.

SUSTAINABILITY REPORT

The Company's fourth sustainability report which covers the period from 1 July 2020 to 30 June 2021 will be published in November 2021 on SGXNet. The report will be prepared with reference to the Global Reporting Initiative Standards and is in line with the requirements of the Catalist Rules. The report highlights the key economic, environmental, social and compliance factors such as anti-corruption, energy and non-discrimination.

WHITEWASH WAIVER

Capitalised terms used below, unless otherwise defined, shall have the same meanings as defined in the circular to shareholders of the Company dated 21 November 2017 (the "2017 Circular").

In connection with the Rights cum Warrants Issue (as defined in 2017 Circular), the Securities Industry Council of Singapore (the "SIC") had on 6 November 2017 waived the obligation under Rule 14 of the Singapore Code on Take-overs and Mergers (the "Code") for Mr Oei Hong Leong ("Mr Oei") and his concert parties (the "Concert Party Group") to make a Mandatory Offer for the Company in the event the Concert Party Group increases their aggregate shareholding in the Company to 30% or more based on the Company's enlarged issued share capital as a result of:

(a) the subscription for Rights Shares (as defined in 2017 Circular) pursuant to the Sub-underwriting Commitment (as defined in 2017 Circular) or the Rights cum Warrants Issue,

(b) the exercise of Warrants (as defined in 2017 Circular) subscribed for pursuant to the Sub-underwriting Commitment or the Rights cum Warrants Issue, or

(c) the exercise of Adjustment Warrants (as defined in 2017 Circular),

(the "Whitewash Waiver").

Disclosure Note required under the Code

In the Extraordinary General Meeting held on 6 December 2017, the Shareholders of the Company approved, *inter alia*, (i) a rights cum warrants issue of up to 14,537,002,596 new ordinary shares with 14,537,002,596 warrants; and (ii) a Whitewash Resolution (as defined in 2017 Circular). The disclosures as required under Note 2, Section 2 of Appendix 1 of the Code are set out below:

(a) the Shareholders (other than Mr. Hano Maeloa and Ms Oei Siu Hoa @ Sukmawati Widjaja, the concert parties of the Concert Party Group and parties not independent of them) approved the Whitewash Resolution waiving their rights to receive a mandatory general offer from the Concert Party Group in accordance with Rule 14 of the Code, in the event that the Concert Party Group's subscription of the Rights Shares and Warrant Shares (as defined in 2017 Circular) arising from the exercise of the Rights cum Warrants Issue and/or the Adjustment Warrant Shares (as defined in 2017 Circular) arising from the exercise of the Adjustment Warrants (including (a) the subscription of up to 7,785,299,728 Rights Shares by Mr. Oei pursuant to the Sub-underwriting Commitment; and/or (b) the exercise of up to 7,785,299,728 Warrants subscribed by Mr. Oei under the Sub-underwriting Commitment) results in the Concert Party Group incurring an obligation to make a mandatory general offer pursuant to Rule 14 of the Code. To rely on the Whitewash Resolution, the acquisition of Rights Shares and Warrants under the Rights cum Warrants Issue by the Concert Party Group must be completed within three (3) months of the approval of the Whitewash Resolution, and (A) the acquisition of the Warrant Shares by the Concert Party Group upon the exercise of the Warrants and (B) the acquisition of new Shares upon the exercise of the Adjustment Warrants by Mr. Hano Maeloa and Ms. Oei Siu Hoa @ Sukmawati Widjaja must be completed with five (5) years of the date of issue of the Warrants (being 30 January 2023);

(b) based on the latest available information, the Concert Party Group holds in aggregate:

    (i) 6,669,033,775 Shares representing 37.41% of the voting rights in the capital of the Company; and

    (ii) 5,228,472,227 Warrants and 2,197,820,126 warrants expiring on 26 July 2023 (collectively, the "Convertibles");

(c) the maximum potential voting rights of the Concert Party Group in the Company, assuming that only the Concert Party Group (but not other Shareholders) exercise their Convertibles in full is 55.82% (based on the enlarged share capital which includes the shares issued arising from the exercise of Convertibles held by the Concert Party Group);

(d) having approved the Whitewash Resolution on 6 December 2017, Shareholders have waived their rights to a general offer from the Concert Party Group and their concert parties at the highest price paid by the Concert Party Group for Shares in the past 6 months preceding the commencement of the offer; and

(e) having approved the Whitewash Resolution on 6 December 2017, Shareholders could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of (A) the Warrants subscribed by the Concert Party Group pursuant to the Sub-underwriting Commitment or the Rights cum Warrants Issue and (B) the Adjustment Warrants to be issued to Mr Hano Maeloa and Ms Oei Siu Hoa @ Sukmawati Widjaja.

Corporate **Governance – Appendix A**

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the directors nominated for re-election at the forthcoming AGM is set out below.

Name of person	Chew Soo Lin	Lien Kait Long
Date of appointment	5 June 2007	16 May 2018
Date of last re-appointment (if applicable)	30 October 2019	29 October 2018
Age	73	73
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr Chew Soo Lin's contribution as Independent Director, Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee of the Company, and has recommended that Mr. Chew Soo Lin be re-elected as Director of the Company	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr Lien Kait Long's contribution as Independent Director, Chairman of the Audit Committee and member of the Remuneration Committee of the Company, and has recommended that Mr Lien Kait Long be re-elected as Director of the Company
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-executive independent director. Chairman of Remuneration Committee and a member of Audit Committee and Nominating Committee	Non-executive independent director. Chairman of Audit Committee and a member of Remuneration Committee
Professional qualifications	Chartered Accountant	Bachelor of Commerce, Accounting
Working experience and occupation(s) during the past 10 years	Executive Chairman of Khong Guan Limited Executive Director of Khong Guan Group of Companies	Retiree
Shareholding interest in the listed issuer and its subsidiaries	32,400,036 ordinary shares in the Company (Direct Interest) 9,257,040 warrants (W230130) in the Company (Direct Interest) 21,600,000 warrants (W230726) in the Company (Direct Interest)	34,501,500 ordinary shares in the Company (Direct Interest) 14,142,700 warrants (W230130) in the Company (Direct Interest) 23,001,000 warrants (W230726) in the Company (Direct Interest)

Corporate **Governance – Appendix A**

Name of person	Chew Soo Lin	Lien Kait Long
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8) Past (for the last 5 years) Present	Past 5 years *Listed on the SGX-ST* 1. China Medical (International) Group Limited (now known as Beverly JCG Ltd) *Non-listed entities* 1. Borneo Can Sendirian Berhad 2. Tianjin Charming Food stuff Co. Ltd 3. Poh Seng Trading (Ipoh) Sdn Bhd 4. Khian Guan Biscuit Manufacturing Company Sdn Bhd 5. Khong Guan Overseas Investment Limited Present *Listed on the SGX-ST* 1. Duty Free International Limited 2. Khong Guan Limited 3. MTQ Corporation Limited *Listed on Bursa Malaysia* 1. Kim Hin Joo (Malaysia) Berhad *Non-listed entities* 1. Borneo Biscuit Factory Sdn Bhd 2. Cepheus Corporation Pte Ltd	Past 5 years *Listed on the SGX-ST* 1. IPC Corporation Limited 2. 8Telecom International Holdings Co Ltd 3. Hanwell Holdings Limited *Non-listed entities* 1. Renewable Energy Asia Group Limited Present *Listed on the SGX-ST* 1. Falcon Energy Group Limited 2. Tat Seng Packaging Group Ltd *Listed on OTC USA* 1. China Enterprises Limited *Non-listed entities* 1. China Jishan Holdings Limited

Corporate **Governance – Appendix A**

Name of person	Chew Soo Lin	Lien Kait Long
	3. Cereal Products (M) Sdn Berhad 4. Far East Biscuit Factory (China) Ltd 5. Far East Biscuit Factory (Hong Kong) Limited 6. Federal Oats Mills Sdn Bhd 7. Inter-Ocean Shipping Co Pte Ltd 8. Khong Guan Biscuit and Confectionery Manufacturing Company Limited 9. Khong Guan Biscuit Factory (Borneo) Sendirian Berhad 10. Khong Guan Biscuit Factory (Johore) Sdn Bhd 11. Khong Guan Biscuit Factory (Singapore) Private Limited 12. Khong Guan Development Pte Ltd 13. Khong Guan Enterprises Sdn Berhad 14. Khong Guan Food Products Pte Ltd 15. Khong Guan Group Pte Ltd 16. Khong Guan Land Pte Ltd 17. Khong Guan Management Sdn Bhd 18. Khong Guan Trading Pte Ltd 19. Khong Guan Vegetable Oil Refinery Sdn Bhd 20. Leong Hong Oil Mill Sdn Bhd 21. Lian Seng Hang Sdn Bhd 22. SGProtein Pte Ltd 23. Shanghai Eastern Asia Food Products Co. Ltd 24. Singuan Realty Pte Ltd 25. Swee Hin Chan Company Sdn Berhad 26. Tau Meng Investment Pte Ltd 27. Tong Guan Foods Products Sdn Bhd 28. United Malayan Flour (1996) Sdn Bhd 29. Victus Marketing Pte Ltd 30. Yinyu Pte Ltd 31. Zon Duty Free Pte Ltd	

Corporate **Governance – Appendix A**

Name of person	Chew Soo Lin	Lien Kait Long
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, general manager or other officer of equivalent rank. **If the answer to any question is “yes”, full details must be given.**		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

Corporate **Governance – Appendix A**

Name of person	Chew Soo Lin	Lien Kait Long
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

Corporate **Governance – Appendix A**

Name of person		Chew Soo Lin	Lien Kait Long
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

Corporate **Governance – Appendix A**

Name of person	Chew Soo Lin	Lien Kait Long
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	N.A. This relates to re-appointment of Director.	N.A. This relates to re-appointment of Director.
If Yes, please provide details of prior experience.	N.A.	N.A.

Corporate **Governance – Appendix A**

Name of person	Chew Soo Lin	Lien Kait Long
If No, Please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

Note:

N.A. – Not Applicable

Financial Contents

Directors' **Statement**

For the financial year ended 30 June 2021

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2021 and the balance sheet of the Company as at 30 June 2021.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 56 to 122 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, based on the going concern assumptions set out in Note 2.1 to the financial statements, 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 as follows:

Dato' Dr Choo Yeow Ming
Dr Lam Lee G
Chew Soo Lin
Lum Moy Foong
Lien Kait Long

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which the director is deemed to have an interest	
	At 30.6.21	**At 1.7.20**	**At 30.6.21**	**At 1.7.20**
Company				
(No. of ordinary shares)				
Dato' Dr Choo Yeow Ming	824,969,332	824,969,332	352,479,500	352,479,500
Chew Soo Lin	32,400,036	32,400,036	-	-
Lien Kait Long	34,501,500	34,501,500	-	-
(No. of warrants expired on 19 November 2020)				
Dato' Dr Choo Yeow Ming	-	501,862,484	-	398,819,310
Chew Soo Lin	-	4,114,137	-	-
(No. of warrants expiring on 30 January 2023)				
Chew Soo Lin	9,257,040	9,257,040	-	-
Lien Kait Long	14,142,700	14,142,700	-	-
(No. of warrants expiring on 26 July 2023)				
Chew Soo Lin	21,600,000	21,600,000	-	-
Lien Kait Long	23,001,000	23,001,000	-	-

(b) The directors' interests in the ordinary shares and warrants of the Company as at 21 July 2021 were the same as those as at 30 June 2021.

Share options

The Company has not implemented any share option or share schemes.

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

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

Audit Committee

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

Lien Kait Long (Chairman)
Dr Lam Lee G
Chew Soo Lin

All members of the AC were independent non-executive directors.

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the AC carried out the following:

- Reviews the audit plans of the internal auditor and independent auditor of the Company and the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the internal auditor and independent auditor;
- Reviews the interim and annual financial statements and the independent auditor's report on the annual financial statements of the Company before their submission to the Board of Directors;
- Reviews the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Meets with the independent auditor, internal auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the nature and extent of non-audit services provided by the independent auditor;

Audit Committee (continued)

- Recommends to the Board of Directors the nomination of independent auditor and terms of engagement including remuneration;

- Reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate; and

- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual Section B: Rules of Catalist.

The AC convened two meetings during the financial year. The AC has also met with the internal auditor and independent auditor, without the presence of the Company's management, at least once a year.

The AC has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

....	....
Dato' Dr Choo Yeow Ming	**Dr Lam Lee G**
Director	*Director*

14 October 2021

Independent **Auditor's Report**

To the Members of Asia-Pacific Strategic Investments Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Asia-Pacific Strategic Investments Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 June 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 56 to 122.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial 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 year. 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.

1. Valuation and impairment of assets

As the effects of the coronavirus ("COVID-19) spread across the entire world, including the countries in which the Group operates, the primary focus for governments and businesses is the safety of their people. Stringent travel restrictions and safe distancing measurements imposed on a global scale to battle the spread of COVID-19 have had severe repercussions on the hospitality and real estate industries. This gives rise to financial statements risk such as the determination of valuation of the Group's significant assets in the real estate development business in the People's Republic of China ("PRC") which comprise property, plant and equipment of the Group's hotel operations, development properties of the Group's mixed development of prime residential and commercial properties (collectively, the "Huzhou Project") and other receivable in relation to the reimbursement of infrastructure expenditures for the Huzhou Project due from the District Government of Nanxun District, Huzhou City of Zhejiang Province, PRC (the "Nanxun District Government").

Key Audit Matters (continued)

1. Valuation and impairment of assets (continued)

(a) Property, plant and equipment and development properties
[Refer to Notes 3.1, 3.2, 17 and 19]

Area of focus

The Group has completed the development of the hotel building and commenced operations of the hotel since October 2019, however the construction of the development properties has not commenced as at 30 June 2021. The Group is working on the master development plan with the relevant local government agencies as Huzhou City is currently preparing the *Huzhou City National Land and Space 2020 – 2035* (the "15-year Plan"), accordingly, the Group will further revise the master development plan to comply with the requirement of the 15-year Plan once it is finalised and published.

(i) Hotel operations

As at 30 June 2021, the assets used for the hotel operations which are included in property, plant and equipment, amounted to S$29,843,000. Due to resurgence of COVID-19 cases in December 2020, the hotel operations have been temporarily affected by the safety measures implemented by the local government, such as restriction in holding corporate events in the hotel. As the COVID-19 situation remains uncertain, there is objective evidence or indicator that the hotel building and its property, plant and equipment (collectively, the "Hotel Assets") may be impaired. Management has performed impairment assessment for the Group's Hotel Assets and engaged an external professional valuer to determine its recoverable amount.

(ii) Development properties

As at 30 June 2021, the carrying amount of development properties of the Huzhou Project amounted to S$13,642,000. In view of the economic downturn caused by COVID-19 and the recent development of the 15-year Plan in Huzhou City, there has been a slowdown in the progress of finalising the development implementation and business plans for the Huzhou Project. The realisation of the carrying amount of development properties is dependent on the Group's ability and intention to continue with the development and whether there is existence of adverse situations which causes the net realisable value to be less than the carrying amount. There is a risk that the carrying amount of the development properties may be higher than its net realisable value and that the amount may be overstated in the financial statements.

We focused on this area as a key audit matter because the carrying amounts of property, plant and equipment and development properties are significant to the Group and significant judgement is applied in determining the recoverable amounts such as discount rate, room occupancy rate, growth rate, including expectations of future events that are believed to be reasonable under the circumstances. There is also high degree of estimation uncertainty inherent in assessing the duration and severity of the economic downturn caused by COVID-19 and the pattern of any expected recovery which are considered in the impairment assessment.

Key Audit Matters (continued)

1. Valuation and impairment of assets (continued)

(a) Property, plant and equipment and development properties (continued)

How our audit addressed the area of focus

In obtaining sufficient audit evidence, we:

- Obtained an understanding of the current status of the Huzhou Project through discussions with management and examination of documentation such as the master development plan;
- Assessed the net realisable value of the development properties by ascertaining the principal situations in which net realisable value is likely to be less than the cost in accordance to SFRS(I) 1-2 *Inventories*;
- Assessed the objectivity, independence and expertise of the external professional valuers;
- Held discussions with the external professional valuers to understand the valuation methodologies, key assumptions used in the valuation of the property, plant and equipment and their scope of work in response to the heightened level of estimation uncertainty;
- Involved our internal valuation specialists to assist us in assessing the reasonableness of the valuation models and assessing the reasonableness of the key assumptions used by management and the external professional valuers; and
- Reviewed the adequacy of the disclosure on the Group's property, plant and equipment and development properties.

(b) Expected credit loss ("ECL") on other receivables
[Refer to Notes 3.3 and 13]

Area of focus

As at 30 June 2021, the Group has other receivable from non-related party – Nanxun District Government in relation to the reimbursement of infrastructure expenditures incurred by the Group amounting to S$10,023,000 which will be offset against the cost of acquisition of development land for Huzhou Project in future. This receivable represents 16% of the Group's total assets, accordingly any ECL recognised for this receivable could have a material impact on the Group's financial statements.

In accordance with SFRS(I) 9 *Financial Instruments*, the Group is required to recognise ECL on financial assets. For other receivables, the Group has applied the general approach and measured loss allowance at an amount equal to the 12-month ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating the ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience. The Group also considers the forward-looking adjustments on the uncertainties in existing market conditions including the potential effects of COVID-19 pandemic on the industry.

Key Audit Matters (continued)

1. **Valuation and impairment of assets** (continued)

   (b) **Expected credit loss ("ECL") on other receivables** (continued)
   [Refer to Notes 3.3 and 13]

   Area of focus (continued)

   As the impairment assessment on other receivable involved significant management's judgement in assessing the credit-worthiness of the receivable, the current market condition, forecasts of future economic condition and any changes in the government policies, and in consideration of the significance of other receivables in the Group, we determined this area to be a key audit matter.

   How our audit addressed the area of focus

   We obtained an understanding and evaluated the Group's processes and ECL assessment for other receivables. We assessed the reasonableness of management's judgement and assumptions applied in the ECL model such as management's assessment of credit-worthiness of the receivables, management's consideration of current market condition, forecasts of future economic condition and any changes to the government policies taking into consideration the potential effects of COVID-19 and management's assessment of the impairment of the Hotel Assets and development properties of Huzhou Project to which the receivable related to.

   We also reviewed and considered the adequacy of the disclosures made in the financial statements in respect of the credit risk of other receivable.

2. **Going concern assumption**

   Area of focus

   As a result of the COVID-19 pandemic which has caused a severe impact on the hospitality and real estate industries, which are the Group's main business operations, the Group has incurred a net loss of S$5,056,000 and recorded a net cash used in operating activities of S$5,757,000 for the financial year ended 30 June 2021.

   Notwithstanding the above mentioned, the Board of Directors has assessed that the going concern basis of preparation for this set of financial statements remains appropriate after considering the following:

   (i) As at 30 June 2021, the Group is in net current assets position of $2,103,000 with cash and cash equivalents of S$1,537,000 and financial assets, at fair value through profit or loss ("FVPL") of S$2,824,000 which are readily available for use and can be realised immediately as and when required;

   (ii) The Group is still negotiating with the contractors to finalise the final contract sums and it is expected that the payment of accrued construction cost (included in current trade and other payables) amounting to S$3,087,000 as at 30 June 2021 will be delayed beyond 12 months from the end of the financial year;

   (iii) Based on a 12–month cash flow projection, the Group will have sufficient cash flow to meet the operating requirements;

Key Audit Matters (continued)

2. **Going concern assumption** (continued)

Area of focus (continued)

(iv) The Group is exploring various fund-raising options to fund the working capital and growth of the Group going forward including the construction of development properties; and

(v) The Group's term loan from a licensed bank in Singapore is secured against a deed of undertaking from Dato' Dr Choo Yeow Ming ("Dato' Choo"), the Chairman and Chief Executive Officer of the Group (Note 18(a)(ii)) and the term loan from a licensed bank in the PRC is secured against a personal guarantee by Dato' Choo of up to RMB55.0 million (equivalent to S$11.45 million) (Note 18(a)(iii)).

As described in the preceding paragraphs, the Board of Directors is confident that the Group has adequate resources to continue in operational existence, and the use of the going concern assumption in the preparation of the financial statements is appropriate.

The assessment of the Group's ability to generate sufficient operating cash flows on a timely basis and availability of sufficient funds for its operations are important considerations for the going concern assumption. As such, these are significant aspects of our audit and we determined this is a key audit matter.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, we:

- Evaluated management's assessment of the Group's ability to continue as a going concern, relying on the sources of liquidity and funding available to the Group;
- Discussed with management to obtain an understanding on the Group's business plans and financing requirements and obtained written representations from management and the Board of Directors, regarding their plans for future actions and the feasibility of these plans;
- Obtained and evaluated the cash flows forecasts prepared by management as approved by the Board of Directors, for the next 12 months from the date of the financial statements and assessed the reasonableness of the key assumptions used by checking against the Group's business plans and historical performance;
- Challenged the appropriateness of the key assumptions used by management in the cash flow projection, including timing of cash required for operations, the Group's forecasts of revenue, gross margin and operating expenses; and
- Reviewed the adequacy and appropriateness of the disclosures made in Note 2.1 to the financial statements.

Other Information

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement director on the audit resulting in this independent auditor's report is Meriana Ang Mei Ling.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

14 October 2021

Consolidated Statement of **Comprehensive Income**

For the financial year ended 30 June 2021

	Note	2021 S$'000	2020 S$'000
Revenue	4	**1,198**	625
Cost of sales		**(333)**	(400)
Gross profit		**865**	225
Other gains/(losses), net			
- Interest income from bank deposits		**4**	6
- Loss allowance on financial assets at amortised cost	28(b)	**-**	(16)
- Others	7	**626**	(279)
Expenses			
- Distribution and marketing		**(376)**	(431)
- Administrative		**(5,765)**	(6,402)
- Finance	8	**(425)**	(78)
Loss before income tax		**(5,071)**	(6,975)
Income tax credit	9(a)	**15**	13
Net loss		**(5,056)**	(6,962)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation gain arising from consolidation	26	**935**	12
Items that will not be reclassified subsequently to profit or loss:			
- Fair value loss on financial assets, at fair value through other comprehensive income ("FVOCI")	16	**(2,000)**	-
- Currency translation gain arising from consolidation		**359**	5
Other comprehensive (loss)/income, net of tax		**(706)**	17
Total comprehensive loss		**(5,762)**	(6,945)
Loss attributable to:			
Equity holders of the Company		**(3,781)**	(5,888)
Non-controlling interests		**(1,275)**	(1,074)
		(5,056)	(6,962)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(4,846)**	(5,876)
Non-controlling interests		**(916)**	(1,069)
		(5,762)	(6,945)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
Basic and diluted loss per share	10	**(0.02)**	(0.03)

The accompanying notes form an integral part of these financial statements.

Balance **Sheets**

as at 30 June 2021

	Note	Group		Company	
		2021	2020	**2021**	2020
		S$'000	S$'000	**S$'000**	S$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**1,537**	4,030	**902**	3,427
Financial assets, at FVPL	12	**2,824**	3,381	**2,824**	3,381
Trade and other receivables	13	**2,973**	11,435	**24,925**	6,704
Inventories	14	**187**	183	**-**	-
Other current assets	15	**1,680**	1,640	**124**	133
Financial assets, at FVOCI	16	*****	2,000	*****	2,000
		9,201	22,669	**28,775**	15,645
Non-current assets					
Trade and other receivables	13	**10,023**	-	**-**	17,362
Development properties	17	**13,642**	11,642	**-**	-
Investment in subsidiary corporations	18	**-**	-	**25,575**	23,495
Property, plant and equipment	19	**30,027**	29,780	**100**	311
Intangible assets	21	**21**	27	**-**	-
		53,713	41,449	**25,675**	41,168
Total assets		**62,914**	64,118	**54,450**	56,813
LIABILITIES					
Current liabilities					
Trade and other payables	22	**5,492**	4,950	**492**	157
Borrowings	23	**1,591**	2,327	**1,297**	313
Current income tax liabilities	9(b)	**15**	15	**15**	15
		7,098	7,292	**1,804**	485
Non-current liabilities					
Borrowings	23	**9,798**	5,066	**3,797**	5,005
Deferred income tax liabilities	24	**574**	559	**-**	-
		10,372	5,625	**3,797**	5,005
Total liabilities		**17,470**	12,917	**5,601**	5,490
Net assets		**45,444**	51,201	**48,849**	51,323
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	25	**195,738**	195,733	**195,738**	195,733
Foreign currency translation reserve	26	**(16,133)**	(17,055)	**(15,939)**	(15,939)
Fair value reserve	27	**(6,000)**	(4,000)	**(6,000)**	(4,000)
Accumulated losses		**(134,244)**	(130,285)	**(124,950)**	(124,471)
		39,361	44,393	**48,849**	51,323
Non-controlling interests	18	**6,083**	6,808	**-**	-
Total equity		**45,444**	51,201	**48,849**	51,323

** Less than S$1,000*

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of
Changes in Equity

For the financial year ended 30 June 2021

	Note	← Attributable to equity holders of the Company				→		
		Share capital S$'000	**Foreign currency translation reserve S$'000**	**Fair value reserve S$'000**	**Accumulated losses S$'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
2021								
Balance as at 1 July 2020		**195,733**	**(17,055)**	**(4,000)**	**(130,285)**	**44,393**	**6,808**	**51,201**
Total comprehensive income/(loss) for the financial year		-	935	(2,000)	(3,781)	(4,846)	(916)	(5,762)
Issuance of new ordinary shares pursuant to exercise of warrants	25	5	-	-	-	5	-	5
Effect of dilution in non-controlling interests	18	-	(13)	-	(178)	(191)	191	-
Balance as at 30 June 2021		**195,738**	**(16,133)**	**(6,000)**	**(134,244)**	**39,361**	**6,083**	**45,444**
2020								
Balance as at 1 July 2019		**195,733**	**(17,067)**	**(4,000)**	**(124,397)**	**50,269**	**7,877**	**58,146**
Total comprehensive income/(loss) for the financial year		-	12	-	(5,888)	(5,876)	(1,069)	(6,945)
Balance as at 30 June 2020		**195,733**	**(17,055)**	**(4,000)**	**(130,285)**	**44,393**	**6,808**	**51,201**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of **Cash Flows**

For the financial year ended 30 June 2021

	Note	2021 S$'000	2020 S$'000
Cash flows from operating activities			
Net loss		**(5,056)**	(6,962)
Adjustments for:			
- Income tax credit	9(a)	**(15)**	(13)
- Interest expense on bank borrowings	8	**398**	37
- Interest expense on lease liabilities	8	**27**	41
- Interest income from bank deposits		**(4)**	(6)
- Dividend income	7	**(72)**	(244)
- Depreciation of property, plant and equipment	5	**1,589**	1,272
- Amortisation of intangible assets	5	**8**	10
- Fair value losses on financial assets, at FVPL	7	**1,097**	444
- Loss on disposal of financial assets, at FVPL	7	**84**	455
- Unrealised currency translation differences		**(1,273)**	(52)
		(3,217)	(5,018)
Change in working capital:			
- Development properties		**(1,315)**	(1,345)
- Trade and other receivables		**(863)**	4
- Financial assets, at FVPL		**(694)**	3,551
- Inventories		**7**	(183)
- Other current assets		**44**	609
- Trade and other payables		**278**	1,040
Cash used in operations		**(5,760)**	(1,342)
- Income tax (paid)/refunded, net	9(b)	**(1)**	1
- Interest received		**4**	6
Net cash used in operating activities		**(5,757)**	(1,335)
Cash flows from investing activities			
- Additions to property, plant and equipment		**(11)**	(8,235)
- Addition to intangible assets	21	**-**	(37)
- Dividends received		**72**	244
Net cash provided by/(used in) investing activities		**61**	(8,028)
Cash flows from financing activities			
- Proceed from issuance of new shares pursuant to exercise of warrants	25	**5**	-
- Principal repayment of lease liabilities		**(438)**	(383)
- Repayment of bank borrowings		**(2,024)**	-
- Drawdown of bank borrowings		**6,096**	6,966
- Interest paid for bank borrowings		**(398)**	(37)
- Interest paid for lease liabilities		**(27)**	(41)
Net cash provided by financing activities		**3,214**	6,505
Net decrease in cash and cash equivalents		**(2,482)**	(2,858)
Cash and cash equivalents			
Beginning of financial year		**4,030**	6,874
Effects of currency translation on cash and cash equivalents		**(11)**	14
End of financial year	11	**1,537**	4,030

The accompanying notes form an integral part of these financial statements.

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

The financial statements of the Group and the Company for the financial year ended 30 June 2021 were authorised for issue in accordance with a resolution of directors on 14 October 2021.

1 General information

Asia-Strategic Strategic Investments Limited (formerly known as China Real Estate Grp Ltd) (the "Company") was incorporated as a public company limited by shares, in Singapore on 6 July 2006 and is listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST") on 31 August 2007.

With effect from 31 December 2020, the name of the Company was changed from China Real Estate Grp Ltd to Asia-Pacific Strategic Investments Limited.

The principal place of operation is at 1 Scotts Road, #20-07 Shaw Centre, Singapore 228208 and the registered office is at 8 Robinson Road, #03-00 ASO Building, Singapore 048544.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary corporations are disclosed in Note 18.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below. The financial statements are presented in Singapore Dollars and have been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with SFRS (I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Going concern assumption

As the effects of the coronavirus ("COVID-19") spread across the entire world, including Singapore and PRC, the countries in which the Group operates, the primary focus for governments and businesses is the safety of their people. Stringent travel restrictions and safe distancing measurements imposed on a global scale to battle the spread of COVID-19 have had severe repercussions on the hospitality and real estate industries, which are the Group's main business operations. As a result, for the financial year ended 30 June 2021, the Group has incurred a net loss of S$5,056,000 (2020: S$6,962,000) and recorded a net cash used in operating activities of S$5,757,000 (2020: S$1,335,000).

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern assumption (continued)

Notwithstanding the above mentioned, the Board of Directors has assessed that the going concern basis of preparation for this set of financial statements remains appropriate after considering the following:

(i) As at 30 June 2021, the Group is in net current assets position of $2,103,000 with cash and cash equivalents of S$1,537,000 and financial assets, at fair value through profit or loss ("FVPL") of S$2,824,000 which are readily available for use and can be realised immediately as and when required;

(ii) The Group is still negotiating with the contractors to finalise the final contract sums and it is expected that the payment of accrued construction cost (included in current trade and other payables) amounting to S$3,087,000 as at 30 June 2021 will be delayed beyond 12 months from the end of the financial year;

(iii) Based on a 12–month cash flow projection, the Group will have sufficient cash flow to meet the operating requirements;

(iv) The Group is exploring various fund-raising options to fund the working capital and growth of the Group going forward including the construction of development properties; and

(v) The Group's term loan from a licensed bank in Singapore is secured against a deed of undertaking from Dato' Dr Choo Yeow Ming ("Dato' Choo"), the Chairman and Chief Executive Officer of the Group (Note 18(a)(ii)) and the term loan from a licensed bank in the PRC is secured against a personal guarantee by Dato' Choo of up to RMB55.0 million (approximate to S$11.45 million) (Note 18(a)(iii)).

Coronavirus ("COVID-19") impact

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore and PRC, both of which have been affected by the spread of COVID-19 during the financial year.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the financial year ended 30 June 2021:

(i) The Company has assessed that the going concern basis of preparation for this set of financial statements, as set out above, remains appropriate;

(ii) During the financial year, workplace closures have resulted in periods where the Group's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have negatively impacted the hotel's occupancy rate in both 2020 and 2021, resulting in a negative impact on the Group's financial performance for the financial year ended 30 June 2021;

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Coronavirus ("COVID-19") impact (continued)

(iii) During the financial year, the Group has received some COVID-19 related government grants from local government in Singapore (Note 7); and

(iv) The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets and provisions for onerous contracts as at 30 June 2021. The significant estimates and judgement applied on impairment assessment are disclosed in Note 3.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 30 June 2022. If the situation persists beyond management's current expectations, the Group's assets may be subjected to further write-downs in the subsequent financial periods.

Interpretations and amendments to published standards effective in 2021

On 1 July 2020, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

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

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

2 Summary of significant accounting policies (continued)

2.2 Revenue recognition (continued)

Hospitality services:

(a) Hotel operation's revenue

Revenue from hotel's accommodation is recognised over time during the period of stay for the hotel guests. Revenue from food and beverage sales and other ancillary services is generally recognised at a point in time when the food and beverage are served to the customers.

Real estate agency services:

(b) Commission income

Revenue from real estate agency is recognised at a point in time in the period in which the services are rendered and the Group has transferred the control of the promised services to the customers.

(c) Management services fee income

Management services fee income is recognised at a point in time when the Group has satisfied its PO by rendering the services to the customer.

Other revenue:

(d) Interest income

Interest income including income arising from other financial instruments, is recognised using the effective interest method.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(f) Rental income

Rental income from sublease of land for agriculture and aquaculture activities is accounted for based on a straight-line basis over the lease terms stipulated in the contracts.

2 Summary of significant accounting policies (continued)

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions. Government grants relating to expenses are shown separately as “other gains/(losses), net”.

2.4 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation’s net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

The acquisition method of accounting is used to account for business combinations entered into by the Group.

(ii) Acquisitions

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

2 Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(a) Subsidiary corporations (continued)

(ii) Acquisitions (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

Notes to the **Financial Statements**

For the financial year ended 30 June 2021

2 Summary of significant accounting policies (continued)

2.5 Property, plant and equipment

(a) *Measurement*

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(b) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) *Depreciation*

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land and buildings	over the remaining lease term of 37 years
Renovation	3 – 10 years
Office equipment, furniture and fittings	5 – 10 years
Vehicles and equipment	4 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(d) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(e) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other gains/(losses), net”. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2 Summary of significant accounting policies (continued)

2.6 Development properties

Development properties are those properties which are held with the intention for development and sale in the ordinary course of business. They are stated at the lower of cost plus a portion of attributable profit (where appropriate) less progress billings and the estimated net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the land and properties.

The cost of properties under development comprise specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding the development properties are also capitalised, on a specific identification basis as part of the cost of the development properties until the completion of development. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. When it is probable that the cost of development properties will exceed sale proceeds of the development properties, the expected loss is recognised as an expense immediately. The development properties in progress have operating cycles longer than one year.

2.7 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. If those amounts are less than the fair value of the identifiable net assets of the subsidiary corporations acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase. Goodwill on acquisition of subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

(b) Acquired trademarks

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 5 years, which is the shorter of their estimated useful lives and periods of contractual rights.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2 Summary of significant accounting policies (continued)

2.9 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.10 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill are allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Intangible assets*
Property, plant and equipment
Right-of-use ("ROU") assets
Investments in subsidiary corporations

Intangible assets with finite useful lives, property, plant and equipment, ROU assets and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is indication that the intangible assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

2 Summary of significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(b) *Intangible assets*
Property, plant and equipment
Right-of-use ("ROU") assets
Investments in subsidiary corporations (continued)

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.11 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

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

2 Summary of significant accounting policies (continued)

2.11 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset, the subsequent measurement is as follows:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investment are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains/(losses), net", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The credit risk note details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2 Summary of significant accounting policies (continued)

2.11 Financial assets (continued)

(c) Recognition and derecognition (continued)

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Fair value estimation of financial assets and liabilities

The fair value of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) is based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2 Summary of significant accounting policies (continued)

2.16 Leases

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contracts convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:

  – Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
  – Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  – Amount expected to be payable under residual value guarantees;
  – The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
  – Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

2 Summary of significant accounting policies (continued)

2.16 Leases (continued)

When the Group is the lessee (continued)

- Lease liabilities (continued)

  For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account for these as one single lease component.

  Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

  – There is a change in future lease payments arising from changes in an index or rate;
  – There is a change in the Group's assessment of whether it will exercise an extension option; or
  – There are modifications in the scope or the consideration of the lease that was not part of the original term.

  Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

2 Summary of significant accounting policies (continued)

2.18 Income taxes (continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising from investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for productivity and innovative credit similar to accounting for other tax credits where deferred income tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as “finance expense”.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2 Summary of significant accounting policies (continued)

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Pension benefits*

The Group is required to provide certain staff pension benefits to their employees under existing PRC regulations. Pension contributions are provided at rates stipulated by PRC regulations and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiary corporations' employees. The Group has no further payment obligations once the contributions have been paid. Pension contributions are recognised as expenses in the period in which the related services are performed.

2.21 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company and all values have been rounded to the nearest thousand (S$'000) unless otherwise stated.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

2 Summary of significant accounting policies (continued)

2.21 Currency translation (continued)

(b) *Transactions and balances* (continued)

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange translation gains and losses impacting profit or loss are presented in the income statement within "other gains/(losses), net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the balance sheet date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the balance sheet date.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2 Summary of significant accounting policies (continued)

2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.25 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Estimated impairment of non-financial assets

Property, plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets have been determined based on the higher of fair value less costs to sell or value-in-use calculations. If the carrying amounts exceed the recoverable amounts, an impairment loss is recognised to profit or loss for the differences.

Impairment of property, plant and equipment

The carrying amount of the Group's and the Company's property, plant equipment at the balance sheet date are S$30,027,000 and S$100,000 (2020: S$29,780,000 and S$311,000) respectively. The assets used in the hotel operations, which are included in property, plant and equipment, amounted to S$29,843,000 (2020: S$29,327,000). Management has assessed the recoverable amounts of the assets used in hotel operations based on the fair value less costs to sell which is determined using income approach (2020: value-in-use). The key assumptions used include growth rate of 3% (2020: 4%), inflation rate of 2% (2020: 3%) and pre-tax discount rate of 7% (2020: 7%). No impairment is recognised during the financial years ended 30 June 2021 and 2020, as the recoverable amount is S$30,674,000 (2020: S$30,012,000) or 2.8% (2020: 2%) higher than the carrying amount.

Impairment of investments in subsidiary corporations

The carrying amount of investments in subsidiary corporations at the balance sheet date is S$25,575,000 (2020: S$23,495,000). As at 30 June 2021, no additional impairment was provided as the recoverable amount which was determined by management based on value-in-use was not lower than its carrying amount.

3 Critical accounting estimates, assumptions and judgements (continued)

3.2 Net realisable value of development properties

The carrying amount of the Group's development properties at the balance sheet date is S$13,642,000 (2020: S$11,642,000). In determining whether a write-down should be made for the development properties, the Group takes into consideration the principal situations in which net realisable value is likely to be less than the cost in accordance to SFRS(I) 1-2 *Inventories*. A write-down is made if the net realisable value is less than the carrying amount. No allowance was required for the development properties as the Group has assessed that there was no triggering event that the principal situation in which the net realisable value is likely to be less than the carrying amount.

3.3 Impairment of other receivables

Other receivables

As at 30 June 2021, the carrying amount of the Group's other receivables before impairment loss is S$12,977,000 (2020: S$13,171,000).

The Group measures ECL for other receivables using general approach. Under the general approach, the loss allowance is measure at an amount equal to 12-month ECL at initial recognition.

At each balance sheet date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The assessment of the correlation between historically observed default rates and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances. The Group's historical credit loss experience may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade and other receivables is disclosed in Note 28(b) to the financial statements.

4 Revenue

	At a point in time S$'000	Over time S$'000	Total S$'000
2021			
Hospitality services			
- Revenue from accommodation - PRC	**-**	**551**	**551**
- Food and beverage sales - PRC	**639**	**-**	**639**
	639	**551**	**1,190**
Real estate agency services			
- Commission income - Singapore	**8**	**-**	**8**
	647	**551**	**1,198**
2020			
Hospitality services			
- Revenue from accommodation - PRC	-	123	123
- Food and beverage sales - PRC	356	-	356
	356	123	479
Real estate agency services			
- Commission income - Singapore	146	-	146
	502	123	625

5 Expenses by nature

	Group	
	2021	2020
	S$'000	S$'000
Fees on audit services paid/payable to:		
- Auditor of the Company	**85**	87
Fees on non-audit services paid/payable to:		
- Auditor of the Company	**7**	7
- Other auditors	**-**	14
Amortisation of intangible assets (Note 21)	**8**	10
Advertising expenses	**-**	13
Commission expenses	**7**	138
Continuing sponsor fees	**111**	121
Depreciation of property, plant and equipment (Note 19)	**1,589**	1,272
Donations	**3**	8
Electricity expenses	**151**	134
Employee compensation (Note 6)	**2,824**	3,008
Food, beverage, and other hotel supplies	**326**	262
Marketing expenses	**39**	65
Rental expenses – short-term and low-value leases (Note 20(c))	**4**	49
Professional fees	**759**	1,086
Purchase of low value assets	**15**	343
Travelling expenses	**80**	177
Other expenses	**466**	439
Total cost of sales, distribution and marketing and administrative expenses	**6,474**	7,233

6 Employee compensation

	Group	
	2021	2020
	S$'000	S$'000
Wages and salaries	**2,490**	2,721
Employer's contribution to defined contributions plans	**51**	52
Other short-term benefits	**283**	235
	2,824	3,008

7 Other gains/(losses), net

	Group	
	2021	2020
	S$'000	S$'000
Bad debts written-off	**(125)**	(507)
Currency exchange gain - net	**1,323**	37
Dividend income	**72**	244
Fair value losses on financial assets, at FVPL	**(1,097)**	(444)
Government grant*		
- Jobs Support Scheme	**58**	46
- Others	**49**	2
	107	48
Loss on disposal of financial assets, at FVPL	**(84)**	(455)
Rental income	**241**	73
Write-back of commission payables	**122**	686
Others	**67**	39
	626	(279)

** There are no conditions attached to the government grant.*

8 Finance expenses

	Group	
	2021	2020
	S$'000	S$'000
Interest expense on:		
- Bank borrowings	**398**	37
- Lease liabilities (Note 20(b))	**27**	41
	425	78

9 Income taxes

(a) Income tax credit

	Group	
	2021	2020
	S$'000	S$'000
Tax credit attributable to loss is made up of:		
Loss for the financial year:		
- Deferred income tax (Note 24)	**(16)**	(11)
Under/(over) provision in prior financial years:		
- Current income tax - Singapore	**1**	(2)
	(15)	(13)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the standard rate of income tax in the countries where the Group operates as follows:

	Group	
	2021	2020
	S$'000	S$'000
Loss before income tax	**(5,071)**	(6,975)
Tax calculated at tax rate of 17% (2020: 17%)	**(862)**	(1,186)
Effects of:		
- Different tax rate in other country	**(364)**	(400)
- Expenses not deductible for tax purposes	**1,457**	1,610
- Income not subject to tax	**(253)**	(55)
- Deferred tax assets not recognised	**6**	20
- Under/(over) provision in prior financial years	**1**	(2)
Tax credit recognised in profit or loss	**(15)**	(13)

(b) Movement in current income tax liabilities

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**15**	16	**15**	16
Income tax (paid)/refunded	**(1)**	1	**(1)**	1
Under/(over) provision in prior financial years	**1**	(2)	**1**	(2)
End of financial year	**15**	15	**15**	15

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of S$4,075,000 (2020: S$4,039,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in Singapore. The tax losses have no expiry date.

10 Loss per share

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

Diluted loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Total	
	2021	2020
Net loss attributable to equity holders of the Company (S$'000)	**(3,781)**	(5,888)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**17,825,138**	17,824,184
Effect of dilutive potential ordinary shares ('000)	**16,153,738**	20,597,015
Weighted average number of ordinary shares outstanding for diluted loss per share ('000)	**33,978,876**	38,421,199
Basic and diluted loss per share (cents per share)	**(0.02)**	(0.03)

As the Group recorded net losses for the financial years ended 30 June 2021 and 2020, the dilutive potential shares from the warrants are anti-dilutive and no changes are made to the diluted loss per share.

11 Cash and cash equivalents

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and on hand	**1,537**	4,030	**902**	3,427

12 Financial assets, at FVPL

	Group and Company	
	2021	2020
	S$'000	S$'000
Held for trading		
Listed securities		
- Equity securities – Malaysia	**2,824**	3,381

The instruments are all mandatorily measured at fair value through profit or loss.

12 Financial assets, at FVPL (continued)

The above investments relate to investments in quoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. The fair value of the security is based on closing quoted market prices on the last market day of the financial year end. The fair values are within level 1 of the fair value hierarchy.

13 Trade and other receivables

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Current				
Trade receivables				
- Non-related parties	**19**	193	**-**	-
Less: Loss allowance [Note 28(b)]				
- Non-related parties	**-**	(55)	**-**	-
Trade receivables – net	**19**	138	**-**	-
Other receivables				
- Non-related parties	**1,008**	11,330	**-**	1,874
- Value-added tax receivable	**1,946**	1,841	**-**	-
- Subsidiary corporations	**-**	-	**30,970**	12,749
	2,954	13,171	**30,970**	14,623
Less: Loss allowance [Note 28(b)]				
- Non-related parties	**-**	(1,874)	**-**	(1,874)
- Subsidiary corporations	**-**	-	**(6,045)**	(6,045)
Other receivables – net	**2,954**	11,297	**24,925**	6,704
	2,973	11,435	**24,925**	6,704
Non-current				
Other receivables				
- Non-related parties	**10,023**	-	**-**	-
- Subsidiary corporation	**-**	-	**-**	17,362
	10,023	-	**-**	17,362
Total trade and other receivables	**12,996**	11,435	**24,925**	24,066

Included in other receivables are the following:

(a) Amount due from non-related party - District Government of Nanxun District, Huzhou City of Zhejiang Province, PRC (the "Nanxun District Government") of S$10,023,000 (2020: S$9,452,000) which relates to reimbursement of infrastructure expenditure incurred by the Group. The amount is interest free and will be offset against the cost of acquisition of the development land payable to Nanxun District Government in future.

During the financial year ended 30 June 2021, the Group is revising the master development plan of the development project and management has assessed that the acquisition of development land is unlikely to be completed in the next 12 months from the end of the financial year. As such, the Group reclassified the amount due from Nanxun District Government of S$10,023,000 from current assets to non-current assets as the Group assessed that these amounts will be recoverable after 12 months from the end of the financial year.

13 Trade and other receivables (continued)

(b) The non-trade amounts due from subsidiary corporations are unsecured, interest-free and are repayable on demand, except for the non-trade amount due from a subsidiary corporation of S$24,892,000 (2020: S$6,700,000) which bears an interest of 8% (2020: 8%) per annum.

The fair value of non-current other receivables is computed based on cash flows discounted at market borrowing rate. The fair value and market borrowing rates used are as follows:

	Fair value		Borrowing rate	
	2021	2020	**2021**	2020
	S$'000	S$'000		
Group				
Other receivables - Non-related parties	**9,794**	-	**2.3%**	-
Company				
Other receivables - Subsidiary corporation	**-**	18,114	**-**	6%

14 Inventories

	Group	
	2021	2020
	S$'000	S$'000
At cost		
Food, beverage and other hotel supplies	**187**	183

The cost of inventories recognised as expense and included in "cost of sales" amounted to S$326,000 (2020: $262,000).

15 Other current assets

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Deposits	**90**	111	**90**	108
Prepayments	**1,590**	1,529	**34**	25
	1,680	1,640	**124**	133

16 Financial assets, at FVOCI

	Group and Company	
	2021	2020
	S$'000	S$'000
Unquoted equity securities – British Virgin Island	*	2,000

** Less than S$1,000*

The financial assets at FVOCI represent 22.3% equity interest of a company that is engaged in mineral mining industry. The investment does not meet the requirements as an associated company in accordance with SFRS(I) 1-28 *Investments in Associates and Joint Venture* as the Group and the Company do not have significant influence over the entity because the Group and the Company do not have representation on the board and do not participate in policy-making processes. As such, the Group and the Company have elected to measure the above financial asset at FVOCI due to management's intention to hold this financial asset for strategic investment purpose.

In the previous financial years, the fair value of the unquoted equity securities is determined based on the bid price from the potential buyer as the management has intention to dispose of the unquoted securities. Following the lapse of the proposed disposal and as there is no progress in the development of the mineral mines since its acquisition to the end of the financial year, management has assessed that there is no realisable value on this investment. Accordingly, the fair value of the financial assets, at FVOCI was determined to be a nominal value of S$1 as at 30 June 2021 in view of the lack of marketability and data to determine the realisable value. The fair value loss of S$2,000,000 is charged to other comprehensive income.

17 Development properties

	Group	
	2021	2020
	S$'000	S$'000
Properties under development		
- Development expenditure incurred to date	**13,642**	11,642

Development properties are expected to be recovered after 12 months from the financial year ended 30 June 2021.

The subsidiary corporations in Huzhou have obtained management rights over a land parcel located in Digang Town, Nanxun District, Huzhou City of Zhejiang Province, PRC with a total site area of 320 hectares (the "Project Land"). During the financial year ended 30 June 2021, the Group is revising the master development plan and intends to develop the Project Land into an integrated residential-cum-active-ageing hub which will be supported by a comprehensive range of professionally managed healthcare-related (including a hospital, specialist clinics and senior activity centres), commercial, educational and family entertainment facilities that promote overall well-being and life-long learning.

18 Investments in subsidiary corporations

	Company	
	2021	2020
	S$'000	S$'000
Equity investments at cost		
Beginning of financial year	**24,400**	24,400
Additional investment in registered and issued share capital of a subsidiary corporation in PRC	**2,080**	-
End of financial year	**26,480**	24,400
Less: Allowance for impairment		
Beginning of financial year	**(905)**	-
Impairment recognised in profit and loss during the year	**-**	(905)
End of financial year	**(905)**	(905)
	25,575	23,495

The impairment test assessment was carried out by management as at 30 June 2020 for a subsidiary corporation in PRC. The recoverable amount was determined based on value-in-use which has indicated that the recoverable amount for the investment is lower than its carrying amount. Accordingly, impairment for the cost of investment of S$905,000 was provided.

As at 30 June 2021, no additional impairment was provided as the recoverable amount which was determined by management based on value-in-use was not expected to be lower than its carrying amount.

18 Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent 2021 %	2020 %	Proportion of ordinary shares directly held by Group 2021 %	2020 %	Proportion of ordinary shares held by non-controlling interests 2021 %	2020 %
Held by the Company								
Asia-Pacific Strategic Investments Holding Limited[(1)]	Investment holding	Singapore	**100**	100	**100**	100	**-**	-
Huzhou Dixi Gengdu Ecological Agriculture Development Co., Ltd ("Huzhou Agriculture Co") 湖州荻溪耕读生态农业发展有限公司[(2), (3)]	Real estate developer	PRC	**72**	72	**72**	72	**28**	28
Zhongfang Lianhe Grand Canal Culture Tourism Group Co., Ltd ("Grand Canal Group") 中房联合大运河文化旅游集团有限公司[(2), (3)]	Real estate developer	PRC	**77**	72	**77**	72	**23**	28
Asia-Pacific Real Estate (Hangzhou) Information Advisory Co., Ltd 亚太置地 (杭州) 信息咨询有限公司[(1)]	Real estate related advisory services	PRC	**100**	100	**100**	100	**-**	-
Held by Asia-Pacific Strategic Investments Holding Limited								
Global Alliance Property Pte. Ltd.[(1)]	Dormant	Singapore	**-**	-	**100**	100	**-**	-
Held by Huzhou Agriculture Co								
Huzhou Bihai Silver Beach Resort Management Co., Ltd 湖州碧海银滩度假村管理有限公司[(1), (3)]	Hotel management	PRC	**-**	-	**72**	72	**28**	28

18 Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows: (continued)

	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by Group		Proportion of ordinary shares held by non-controlling interests	
			2021	2020	**2021**	2020	**2021**	2020
			%	%	**%**	%	**%**	%
Held by Grand Canal Group								
Huzhou Ludi Wetland Tourism Development Co., Ltd 湖州芦荻湿地旅游发展有限公司[1], [3]	Provision of tourism services	PRC	**-**	-	**77**	72	**23**	28
Zhejiang Zhongfang Yashe Hotel Management Co., Ltd 浙江中房雅舍酒店管理有限公司[2], [3]	Provision of hotel management and hospitality services	PRC	**-**	-	**77**	72	**23**	28
Zhejiang Zhongfang Ludizhou Properties Management Co., Ltd 浙江中房芦荻洲物业管理有限公司[1], [3]	Provision of property management services	PRC	**-**	-	**77**	72	**23**	28
Zhejiang Zhongfang Ludizhou Real Estate Agency Co., Ltd 浙江中房芦荻洲房地产经纪有限公司[1], [3]	Real estate agency	PRC	**-**	-	**77**	72	**23**	28
Zhejiang Zhongfang Ludizhou Real Estate Development Co., Ltd 浙江中房芦荻洲房地产开发有限公司[1], [3]	Real estate development	PRC	**-**	-	**77**	72	**23**	28

[1] Not required to be audited under the laws of the country of incorporation.
[2] Audited by Shanghai Nexia TS Certified Public Accountants for consolidation purposes.
[3] Collectively, the Huzhou Subsidiary Corporations.

18 **Investments in subsidiary corporations** (continued)

Significant restriction

Cash and cash equivalents of S$610,000 (2020: S$599,000) are held in PRC and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on remittance capital from the country, other than through normal dividends.

Carrying value of non-controlling interests

	Group	
	2021	2020
	S$'000	S$'000
Huzhou Agriculture Co	**4,316**	4,299
Grand Canal Group	**1,767**	2,509
Huzhou Subsidiary Corporations	**6,083**	6,808

Summarised financial information of subsidiary corporations with material non-controlling interests

Set out below are the summarised financial information for Huzhou Agriculture Co and Grand Canal Group that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised balance sheet

	Huzhou Agriculture Co		Grand Canal Group	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Current				
Assets	**19,996**	29,705	**5,541**	2,862
Liabilities	**(26,537)**	(25,568)	**(23,740)**	(23,926)
Total current net (liabilities)/assets	**(6,541)**	4,137	**(18,199)**	(21,064)
Non-current				
Assets	**21,957**	11,238	**32,358**	30,625
Liabilities	**-**	(22)	**(6,575)**	(598)
Total non-current net assets	**21,957**	11,216	**25,783**	30,027
Net assets	**15,416**	15,353	**7,584**	8,963

18 Investments in subsidiary corporations (continued)

Summarised statement of comprehensive income

	Huzhou Agriculture Co		Grand Canal Group	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Revenue	**-**	-	**1,190**	479
Loss before income tax	**(822)**	(401)	**(3,892)**	(3,446)
Income tax credit	**-**	-	**16**	11
Net loss	**(822)**	(401)	**(3,876)**	(3,435)
Other comprehensive income	**884**	15	**419**	4
Total comprehensive income/(loss)	**62**	(386)	**(3,457)**	(3,431)
Total comprehensive income/(loss) allocated to non-controlling interests	**17**	(108)	**(933)**	(961)

Summarised statement of cash flows

	Huzhou Agriculture Co		Grand Canal Group	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Net cash provided by/(used in) operating activities	**1,601**	(6,494)	**(6,000)**	5,959
Net cash used in investing activities	**(1)**	(38)	**(8)**	(8,969)
Net cash (used in)/provided by financing activities	**(1,848)**	5,143	**6,559**	1,971
Net (decrease)/increase in cash and cash equivalents	**(248)**	(1,389)	**551**	(1,039)
Cash and cash equivalents at beginning of financial year	**358**	1,795	**116**	1,220
Effect of currency translation on cash and cash equivalents	**(95)**	(48)	**(121)**	(65)
Cash and cash equivalents at end of financial year	**15**	358	**546**	116

18 Investments in subsidiary corporations (continued)

Effect of dilution in non-controlling interests

During the financial year ended 30 June 2021, the Company invested an additional RMB10.0 million (equivalent to approximately S$2,080,000) in the registered and issued share capital of the Grand Canal Group. Following the additional investment, the equity interests of the Company in Grand Canal Group has increased from 72.0% to 76.7% and the remaining equity interests are held by 中房联合置业集团有限公司. The effect of changes in the shareholding of the Group in Grand Canal Group is summarised as follows:

	2021 S$'000
Additional investment	**2,080**
Additional share capital shared by non-controlling interests at 23.3%	**485**
Less: Carrying amount of non-controlling interests in relation to dilution of interest	**(294)**
Effect of dilution of interest in non-controlling interests	**191**
Currency translation differences (Note 26)	**(13)**
Excess of consideration paid recognised in parent's equity	**178**

Expect for the above, there were no material transactions with non-controlling interests for the financial years ended 30 June 2021 and 2020.

19 Property, plant and equipment

	Leasehold land and buildings S$'000	Renovation S$'000	Office equipment, furniture and fittings S$'000	Vehicles and equipment S$'000	Total S$'000
Group					
2021					
Cost					
Beginning of financial year	27,113	1,460	540	2,209	31,322
Additions	4	-	7	154	165
Currency translation differences	1,532	83	18	117	1,750
End of financial year	28,649	1,543	565	2,480	33,237
Accumulated depreciation					
Beginning of financial year	816	166	267	293	1,542
Depreciation charge (Note 5)	1,040	151	91	307	1,589
Currency translation differences	42	14	7	16	79
End of financial year	1,898	331	365	616	3,210
Net book value					
End of financial year	**26,751**	**1,212**	**200**	**1,864**	**30,027**

19 Property, plant and equipment (continued)

	Leasehold land and buildings S$'000	Renovation S$'000	Office equipment, furniture and fittings S$'000	Vehicles and equipment S$'000	Building under construction S$'000	Total S$'000
Group						
2020						
Cost						
Beginning of financial year	-	116	248	192	21,709	22,265
Adoption of SFRS(I) 16 *Leases*	623	-	-	117	-	740
	623	116	248	309	21,709	23,005
Additions	4,760	1,344	296	1,900	-	8,300
Transfer	21,709	-	-	-	(21,709)	-
Written-off	-	-	(5)	-	-	(5)
Currency translation differences	21	*	1	*	-	22
End of financial year	27,113	1,460	540	2,209	-	31,322
Accumulated depreciation						
Beginning of financial year	-	46	207	20	-	273
Depreciation charge (Note 5)	814	120	65	273	-	1,272
Written-off	-	-	(5)	-	-	(5)
Currency translation differences	2	*	*	*	-	2
End of financial year	816	166	267	293	-	1,542
Net book value						
End of financial year	**26,297**	**1,294**	**273**	**1,916**	**-**	**29,780**

** Less than S$1,000*

19 Property, plant and equipment (continued)

	Buildings S$'000	Office equipment, furniture and fittings S$'000	Vehicle S$'000	Total S$'000
Company				
2021				
Cost				
Beginning of financial year	565	143	117	825
Additions	-	1	154	155
End of financial year	565	144	271	980
Accumulated depreciation				
Beginning of financial year	283	131	100	514
Depreciation charge	282	3	81	366
End of financial year	565	134	181	880
Net book value				
End of financial year	**-**	**10**	**90**	**100**
2020				
Cost				
Beginning of financial year	-	144	-	144
Adoption of SFRS(I) 16 *Leases*	565	-	117	682
	565	144	117	826
Additions	-	4	-	4
Written-off	-	(5)	-	(5)
End of financial year	565	143	117	825
Accumulated depreciation				
Beginning of financial year	-	132	-	132
Depreciation charge	283	4	100	387
Written-off	-	(5)	-	(5)
End of financial year	283	131	100	514
Net book value				
End of financial year	**282**	**12**	**17**	**311**

The Group owns and operates a 113-room hotel, Anatole by Landison Hotel Huzhou (formerly known as Cheery Hotel Huzhou), at Hefu Town, Huzhou City, Zhejiang Province of PRC. The leasehold land and the hotel building with a total carrying value of S$26,751,000 (2020: S$26,297,000) have been pledged as collateral to secure the banking facilities of a subsidiary corporation [(Note 23(a)(i),(iii)]. The lease term of the land will expire on 18 October 2056.

Right-of-use of assets under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 20(a).

During the financial years ended 30 June 2021 and 2020, no impairment arose in the hotel building and its related assets with aggregate carrying amount of S$29,843,000 (2020: S$29,327,000) included in property, plant and equipment following the impairment assessment performed by management. The key assumptions used for impairment assessment were disclosed in Note 3.1.

20 Leases

The Group and the Company as a lessee

Nature of the Group and the Company's leasing activities

Property

The Group and the Company lease office space for the purpose of back office operations.

Vehicle

The Group and the Company lease a vehicle for the purpose of back office operations.

(a) ROU assets classified within Property, plant and equipment

	Leasehold land and buildings S$'000	Vehicles and equipment S$'000	Total S$'000
Group			
2021			
Beginning of financial year	385	17	402
Addition	-	154	154
Depreciation	(329)	(81)	(410)
Currency translation differences	5	-	5
End of financial year	**61**	**90**	**151**
2020			
Beginning of financial year, on adoption of SFRS(I) 16 *Leases*	623	117	740
Additions	65	-	65
Depreciation	(303)	(100)	(403)
Currency translation differences	*	-	*
End of financial year	**385**	**17**	**402**
Company			
2021			
Beginning of financial year	282	17	299
Addition	-	154	154
Depreciation	(282)	(81)	(363)
End of financial year	**-**	**90**	**90**
2020			
Beginning of financial year, on adoption of SFRS(I) 16 *Leases*	565	117	682
Depreciation	(283)	(100)	(383)
End of financial year	**282**	**17**	**299**

** Less than S$1,000*

20 Leases (continued)

The Group and the Company as a lessee (continued)

(b) Interest expense

	Group	
	2021	2020
	S$'000	S$'000
Interest expense on lease liabilities (Note 8)	**27**	41

(c) Lease expense not capitalised in lease liabilities

	Group and Company	
	2021	2020
	S$'000	S$'000
Lease expense – short-term and low-value leases (Note 5)	**4**	49

(d) Total cash outflow for all the leases of the Group in 2021 was S$469,000 (2020: S$477,000).

The Group as a lessor

The Group has leased out its owned properties to non-related parties. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. Rental income is disclosed in Note 7.

21 Intangible assets

	Group	
	2021	2020
	S$'000	S$'000
Trademark		
Cost		
Beginning of financial year	**37**	-
Additions	**-**	37
Currency translation differences	**2**	-
End of financial year	**39**	37
Accumulated amortisation		
Beginning of financial year	**10**	-
Amortisation charge (Note 5)	**8**	10
Currency translation differences	*****	-
End of financial year	**18**	10
Net book value		
End of financial year	**21**	27

** Less than S$1,000*

22 Trade and other payables

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Trade payables - Non-related parties	**395**	130	**-**	-
Other payables - Non-related parties	**4,457**	4,341	**100**	-
Accrued operating expenses	**640**	460	**392**	157
Advances received from real estate agents	**-**	19	**-**	-
	5,492	4,950	**492**	157

23 Borrowings

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Current				
Term loans	**1,453**	1,971	**1,204**	-
Lease liabilities	**138**	356	**93**	313
	1,591	2,327	**1,297**	313
Non-current				
Term loans	**9,793**	5,000	**3,797**	5,000
Lease liabilities	**5**	66	**-**	5
	9,798	5,066	**3,797**	5,005
Total borrowings	**11,389**	7,393	**5,094**	5,318

(a) Security granted

(i) The Group secured a term loan facility of S$1,971,000 (equivalent to RMB10.0 million) for working capital purposes from a licensed bank in the PRC. The term loan bears an interest of 4.5% per annum and is secured over a leasehold land measuring 10,638m^2 and the hotel building erected on the leasehold land owned by the Group, in Huzhou, PRC (Note 19) (the "Hotel Collateral") and a corporate guarantee by Zhongfang Lianhe Grand Canal Cultural Tourism Group Co., Ltd, a subsidiary corporation of the Company. The term loan was fully drawn down in January 2020 and was repaid in full in December 2020.

(ii) The Group was granted a term loan facility of S$5,000,000 for working capital purposes from a licensed bank in Singapore. The term loan bears an interest of 2.5% per annum and is secured against a deed of undertaking from Dato' Dr Choo Yeow Ming ("Dato' Choo"), the Chairman and Chief Executive Officer of the Group, to top up any principal and interest shortfall. The term loan has a tenor of 5 years and was fully drawn down in June 2020. It is repayable in 47 monthly principal and interest instalments of S$109,571 commencing on 16 July 2021 and the final principal and interest instalment of S$109,670 falling on 16 June 2025.

23 Borrowings (continued)

(a) Security granted (continued)

(iii) The Group was granted a term loan facility of RMB30.0 million (equivalent to S$6.25 million) for working capital purposes from a licensed bank in the PRC. The term loan bears an interest of 7.5% per annum and is secured against:

a) the Hotel Collateral; and
b) a personal guarantee by Dato Choo of up to RMB55.0 million (equivalent to S$11.45 million).

The term loan was fully drawndown in December 2020 and is repayable as below:

Repayment date	Amount RMB'000	Equivalent to S$'000
21 December 2021	1,200	250
21 December 2022	1,800	375
21 December 2023	3,000	625
21 December 2024	12,000	2,498
25 December 2025	12,000	2,498

(b) Fair value of non-current borrowings

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Bank borrowings – Singapore	**4,092**	5,816	**4,092**	5,816
Bank borrowings – PRC	**6,238**	-	-	-

The fair value above is determined from the cash flow analysis, discounted at market borrowing rate of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group		Company	
	2021	2020	**2021**	2020
Bank borrowings – Singapore	**4.88%**	4.88%	**4.88%**	4.88%
Bank borrowings – PRC	**4.35%**	-	-	-

The fair value is within Level 2 of the fair value hierarchy.

23 Borrowings (continued)

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities is as follows:

	1 July 2020 S$'000	Proceeds from borrowings S$'000	Principals and interest payments S$'000	Non-cash changes: Additions S$'000	Non-cash changes: Interest expenses S$'000	Non-cash changes: Foreign exchange movement S$'000	30 June 2021 S$'000
Borrowings	6,971	6,096	(2,422)	-	398	203	11,246
Lease liabilities	422	-	(465)	154	27	5	143

	1 July 2019 S$'000	Proceeds from borrowings S$'000	Principals and interest payments S$'000	Non-cash changes: Additions S$'000	Non-cash changes: Interest expenses S$'000	Non-cash changes: Foreign exchange movement S$'000	30 June 2020 S$'000
Borrowings	-	6,966	(37)	-	37	5	6,971
Lease liabilities	740#	-	(424)	65	41	*	422

** Less than S$1,000*
 # Represented the effect on adoption of SFRS(I) 16 Leases

24 Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. There is no offsetting of deferred income tax assets and liabilities as at the end of the financial year. The amounts are shown on the balance sheet as follows:

	Group **2021** **S$'000**	Group 2020 S$'000
Deferred income tax liabilities		
- To be settled after one year	**574**	559

24 Deferred income taxes (continued)

Movement in deferred income tax account is as follows:

	Group	
	2021	2020
	S$'000	S$'000
Beginning of financial year	**559**	570
Credited to profit and loss [Note 9(a)]	**(16)**	(11)
Currency translation differences	**31**	*
End of financial year	**574**	559

** Less than S$1,000*

The deferred tax liabilities are recognised for the fair value of building under construction arising from acquisition of subsidiary corporations during the financial year ended 30 June 2018.

25 Share capital

	Number of ordinary shares	Amount
Group and Company	'000	S$'000
2021		
Beginning of financial year	**17,824,184**	**195,733**
Shares issued	**1,563**	**5**
End of financial year	**17,825,747**	**195,738**
2020		
Beginning and end of financial year	17,824,184	195,733

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During the financial year, the Company issued in aggregate 1,563,370 new shares pursuant to the exercise of 2015 Warrants for a total consideration of S$5,000.

The newly issued shares rank *pari passu* in all respects with the previously issued shares.

25 Share capital (continued)

Warrants

Movement in the number of unexercised warrants and their exercise price are as follows:

	Beginning of financial year	Lapsed during financial year	Exercised during financial year	End of financial year	Current exercise price S$	Expiry date
2021						
2015 Warrants	4,443,277,094	(4,441,713,724)	(1,563,370)	-	-	19.11.20
2018 Warrants A	10,008,570,063	-	-	10,008,570,063	0.002	30.01.23
2018 Warrants B	6,145,168,199	-	-	6,145,168,199	0.002	26.07.23
	20,597,015,356	(4,441,713,724)	(1,563,370)	16,153,738,262		
2020						
2015 Warrants	4,443,277,094	-	-	4,443,277,094	0.003	19.11.20
2018 Warrants A	10,008,570,063	-	-	10,008,570,063	0.002	30.01.23
2018 Warrants B	6,145,168,199	-	-	6,145,168,199	0.002	26.07.23
	20,597,015,356	-	-	20,597,015,356		

25 Share capital (continued)

Warrants (continued)

(i) 2018 Warrants A

The Company had on 31 January 2018 issued 7,785,307,748 2018 Warrants A, pursuant to the 2018 Rights cum Warrants Issue A. As a result of the 2018 Rights cum Warrant Issue B and pursuant to the deed poll, adjustments were made to the 2018 Warrants A on 27 July 2018 such that:

(a) an additional 2,224,262,313 warrants were issued to then existing holders of the 2018 Warrants A such that the number of additional warrants issued was calculated on the basis of 0.2857 warrants for every one existing 2018 Warrants A held by each warrant holder; and

(b) The exercise price of each 2018 Warrants A is adjusted from S$0.003 to S$0.002. The 2018 Warrants A will expire on 30 January 2023.

(ii) 2018 Warrants B

The Company had on 27 July 2018 issued 6,145,168,199 2018 Warrants B, pursuant to the 2018 Rights cum Warrants Issue B. The 2018 Warrants B will expire on 26 July 2023.

26 Foreign currency translation reserve

	Group		**Company**	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**(17,055)**	(17,067)	**(15,939)**	(15,939)
Net currency translation differences of financial statements of foreign subsidiary corporations	**935**	12	**-**	-
Effect of dilution in non-controlling interests (Note 18)	**(13)**	-	**-**	-
End of financial year	**(16,133)**	(17,055)	**(15,939)**	(15,939)

The foreign currency translation reserve is non-distributable.

27 Fair value reserve

Fair value reserve relates to the movements in fair values of investments classified as FVOCI and is non-distributable.

28 Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The Board of Directors and AC are responsible for setting the objectives and underlying principles of financial risk management for the Group and further provide oversight to the effectiveness of the risk management process. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) Market risk

(i) Currency risk

The Group has transactional currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of the Group's entities.

Currency risk arises within the entities in the Group when transactions are denominated in foreign currencies such as Renminbi ("RMB") and Malaysian Ringgit ("RM"). To manage the currency risk, the Group relies on natural hedging as a risk management tool and does not enter into derivative foreign exchange contracts to hedge its foreign currency risk.

28 Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD S$'000	RMB S$'000	RM S$'000	Others S$'000	Total S$'000
2021					
Financial assets					
Cash and cash equivalents	905	610	-	22	1,537
Financial assets, at FVPL	-	-	2,824	-	2,824
Financial assets, at FVOCI	*	-	-	-	*
Trade and other receivables	1	12,995	-	-	12,996
Other current assets	90	*	-	-	90
Intra-group receivables	33	24,892	-	-	24,925
	1,029	38,497	2,824	22	42,372
Financial liabilities					
Trade and other payables	(493)	(4,999)	-	-	(5,492)
Borrowings	(5,094)	(6,295)	-	-	(11,389)
Intra-group payables	(33)	(24,892)	-	-	(24,925)
	(5,620)	(36,186)	-	-	(41,806)
Net financial (liabilities)/ assets	(4,591)	2,311	2,824	22	566
Net financial (liabilities)/ assets denominated in the respective entities' functional currencies	4,591	(2,311)	-	-	2,280
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	**-**	**-**	**2,824**	**22**	**2,846**

** Less than S$1,000*

28 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows: (continued)

	SGD	RMB	RM	Others	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
2020					
Financial assets					
Cash and cash equivalents	3,425	599	-	6	4,030
Financial assets, at FVPL	-	-	3,381	-	3,381
Financial assets, at FVOCI	2,000	-	-	-	2,000
Trade and other receivables	118	11,317	-	-	11,435
Other current assets	108	3	-	-	111
Intra-group receivables	4	24,062	-	-	24,066
	5,655	35,981	3,381	6	45,023
Financial liabilities					
Trade and other payables	(299)	(4,632)	-	-	(4,931)
Borrowings	(5,318)	(2,075)	-	-	(7,393)
Intra-group payables	(4)	(24,062)	-	-	(24,066)
	(5,621)	(30,769)	-	-	(36,390)
Net financial assets	34	5,212	3,381	6	8,633
Net financial assets denominated in the respective entities' functional currencies	(34)	(5,212)	-	-	(5,246)
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	**-**	**-**	**3,381**	**6**	**3,387**

28 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD	RMB	RM	Others	Total
	S$'000	S$'000	S$'000	$'000	S$'000
2021					
Financial assets					
Cash and cash equivalents	880	-	-	22	902
Financial assets, at FVPL	-	-	2,824	-	2,824
Financial assets, at FVOCI	*	-	-	-	*
Trade and other receivables	33	24,892	-	-	24,925
Other current assets	90	-	-	-	90
	1,003	24,892	2,824	22	28,741
Financial liabilities					
Trade and other payables	(492)	-	-	-	(492)
Borrowings	(5,094)	-	-	-	(5,094)
	(5,586)	-	-	-	(5,586)
Net financial (liabilities)/ assets	(4,583)	24,892	2,824	22	23,155
Net financial liabilities denominated in the Company's functional currency	4,583	-	-	-	4,583
Currency exposure of financial assets net of those denominated in the Company's functional currency	**-**	**24,892**	**2,824**	**22**	**27,738**

** Less than S$1,000*

28 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows: (continued)

	SGD	RMB	RM	Others	Total
	S$'000	S$'000	S$'000	$'000	S$'000
2020					
Financial assets					
Cash and cash equivalents	3,421	-	-	6	3,427
Financial assets, at FVPL	-	-	3,381	-	3,381
Financial assets, at FVOCI	2,000	-	-	-	2,000
Trade and other receivables	4	24,062	-	-	24,066
Other current assets	108	-	-	-	108
	5,533	24,062	3,381	6	32,982
Financial liabilities					
Trade and other payables	(157)	-	-	-	(157)
Borrowings	(5,318)	-	-	-	(5,318)
	(5,475)	-	-	-	(5,475)
Net financial assets	58	24,062	3,381	6	27,507
Net financial assets denominated in the Company's functional currency	(58)	-	-	-	(58)
Currency exposure of financial assets net of those denominated in the Company's functional currency	**-**	**24,062**	**3,381**	**6**	**27,449**

28 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the RM and RMB change against SGD by 1% (2020: 1%) and 5% (2020: 1%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset position will be as follows:

	2021	2020
	S$'000	S$'000
Group		
RM against SGD		
- Strengthened	**23**	28
- Weakened	**(23)**	(28)
Company		
RM against SGD		
- Strengthened	**23**	28
- Weakened	**(23)**	(28)
RMB against SGD		
- Strengthened	**1,033**	200
- Weakened	**(1,033)**	(200)

(ii) Price risk

The Group and the Company are exposed to the underlying equity securities price risk arising from the investments held by the Group and the Company which are classified in the balance sheets as financial assets, at FVPL. These underlying securities are listed in Malaysia. To manage its price risk arising from investments in the securities, the Group and the Company diversified its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

If prices for the underlying equity securities listed in Malaysia had changed by 5% (2020: 5%) with all other variables including tax rate being held constant, the effects on loss after tax would have been:

	2021	2020
	S$'000	S$'000
Group and Company		
Listed in Malaysia		
- increased by	**141**	169
- decreased by	**(141)**	(169)

28 Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets and variable-rate borrowings, the Group's income and expense are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade and other receivables and financial assets, at FVPL. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining cash deposits where appropriate to mitigate credit risk. Due to the nature of the Group's business, the customers are generally required to pay in advance, except for travel agencies which are granted certain credit limits and amounts. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to travel agencies are restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at operating entity level by the respective management.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The credit risk for trade and other receivables based on the information provided to key management is as follows:

	Group		**Company**	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
PRC	**12,995**	11,317	**24,892**	24,062
Singapore	**1**	118	**33**	4
	12,996	11,435	**24,925**	24,066

28 Financial risk management (continued)

(b) Credit risk (continued)

The movements in credit loss allowance are as follows:

	Trade receivables S$'000	Other receivables S$'000	Total S$'000
Group			
2021			
Beginning of financial year	55	1,874	1,929
Written-off	(55)	(1,874)	(1,929)
End of financial year (Note 13)	-	-	-
2020			
Beginning of financial year	247	1,874	2,121
Loss allowance recognised during the financial year	16	-	16
Written-off	(208)	-	(208)
End of financial year (Note 13)	55	1,874	1,929

(i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss ("ECL") allowance for trade receivables. In measuring the ECL, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the ECL rates, the Group considers purely historical loss rates for each category of customers which management is of the view that the historical conditions are representative of the conditions prevailing at the balance sheet date.

Trade receivables are written-off when there is no reasonable expectation of recovery. Based on the historical credit loss experience, the Group considers a financial asset as in default if the counterparty fails to make contractual payments within 180 days when they fall due which is derived based on the Group's historical information, and write-off the financial asset when there is no reasonable ground to recover the receivables after all enforcement activity has been taken by the Group.

28 Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 30 June 2021 and 2020 is set out in the provision matrix as follows:

	Gross amount S$'000	Loss allowance S$'000	Carrying amount S$'000
Group			
2021			
Not past due	19	-	19
< 30 days past due	-	-	-
30 days to 60 days past due	-	-	-
60 days to 90 days past due	-	-	-
90 days to 180 days past due	-	-	-
180 days to 365 days past due	-	-	-
> 365 days past due	-	-	-
	19	-	19
2020			
Not past due	-	-	-
< 30 days past due	20	-	20
30 days to 60 days past due	-	-	-
60 days to 90 days past due	-	-	-
90 days to 180 days past due	-	-	-
180 days to 365 days past due	38	-	38
> 365 days past due	135	(55)	80
	193	(55)	138

(ii) Other receivables

The Group and the Company use the general approach for assessment of ECLs for these financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each balance sheet date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime ECL.

28 Financial risk management (continued)

(b) Credit risk (continued)

(ii) Other receivables (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, the loss allowance is measured at an amount equal to 12-month ECLs.

As at 30 June 2021 and 2020, the Group and the Company performed an assessment of qualitative and quantitative factors which are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, available press information and applying experienced credit judgement) and an assessment of impairment using the 12-month ECL basis on these financial assets. The Group and the Company concluded that the loss allowance provided for other receivables is adequate.

(iii) Non-trade receivables from subsidiary corporations

Non-trade receivables from subsidiary corporations are provided mainly for short term funding requirements. The Company uses a similar approach as described in Note 28(b)(ii) for assessment of ECL for these receivables. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Company concluded that the loss allowance provided for non-trade receivables from subsidiary corporations is adequate. As at 30 June 2021, the Company has provided a loss allowance of S$6,045,000 (2020: S$6,045,000) as there is no reasonable ground to recover the receivables from these subsidiary corporations.

(iv) Cash and cash equivalents

Cash and cash equivalents are placed only with reputable licensed financial institutions with high credit-ratings. The cash balances are measured on a 12-month expected credit loss and subjected to immaterial credit loss.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and cash equivalents as disclosed in Note 11 to the financial statements.

Management monitors rolling forecasts of the Group's and Company's liquidity reserve and cash and cash equivalents (Note 11) on the basis of expected cash flow. This is generally carried out in the operating entities of the Group in accordance with the practice and limits set by the Group.

28 Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000
Group			
2021			
Borrowings	**2,170**	**2,189**	**9,430**
Trade and other payables	**5,492**	**-**	**-**
	7,662	**2,189**	**9,430**
2020			
Borrowings	2,472	2,693	2,637
Trade and other payables	4,931	-	-
	7,403	2,693	2,637
Company			
2021			
Borrowings	**1,406**	**1,329**	**2,630**
Trade and other payables	**492**	**-**	**-**
	1,898	**1,329**	**2,630**
2020			
Borrowings	452	2,635	2,630
Trade and other payables	157	-	-
	609	2,635	2,630

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group's and the Company's strategies, which were unchanged since the financial year ended 30 June 2014, are to maintain gearing ratios within 30% to 40%.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

28 Financial risk management (continued)

(d) Capital risk (continued)

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Net debt	**15,344**	8,313	**4,684**	2,048
Total equity	**45,444**	51,201	**48,849**	51,323
Total capital	**60,788**	59,514	**53,533**	53,371
Gearing ratio	**25.24%**	13.97%	**8.75%**	3.84%

The Group and the Company have no externally imposed capital requirements for the financial years ended 30 June 2021 and 2020.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Group and Company	Level 1	Level 2	Level 3	Total
2021	S$'000	S$'000	S$'000	S$'000
Assets				
Financial assets, at FVPL	2,824	-	-	2,824
Financial assets, at FVOCI	-	-	*	*
	2,824	-	*	2,824
2020				
Assets				
Financial assets, at FVPL	3,381	-	-	3,381
Financial assets, at FVOCI	-	-	2,000	2,000
	3,381	-	2,000	5,381

** Less than S$1,000*

28 Financial risk management (continued)

(e) Fair value measurements (continued)

There were no transfers between Level 1 and Level 2 during the financial years ended 30 June 2021 and 2020.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

Level 3 fair value measurement

As at 30 June 2017, in view that management had the intention to dispose of the financial assets, the fair value of the financial assets was determined based on the bid price from a potential buyer (the "Potential Buyer").

As at 30 June 2020, the negotiation with the Potential Buyer on the terms and conditions of the disposal is still ongoing. As such, the fair value of the financial assets is determined based on the bid price from the Potential Buyer.

Following the lapse of the proposed disposal and as there is no progress in the development of the mineral mines since its acquisition to the end of the financial year, management has assessed that there is no realisable value on this investment. Accordingly, the fair value of the financial assets, at FVOCI was determined to be a nominal value of S$1 as at 30 June 2021 in view of the lack of marketability and data to determine the realisable value.

The following table presents the changes in Level 3 instruments:

	Financial asset, at FVOCI	
	2021	2020
	S$'000	S$'000
Group and Company		
Beginning of financial year	**2,000**	2,000
Fair value loss recognised in		
- other comprehensive income	**(2,000)**	-
End of financial year	**-**	2,000

28 Financial risk management (continued)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Notes 12 and 16 to the financial statements, except for the following:

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Financial assets at amortised cost	**14,623**	15,576	**25,917**	27,601
Financial liabilities at amortised cost	**16,881**	12,324	**5,586**	5,475

29 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Key management personnel compensation

	Group	
	2021	2020
	S$'000	S$'000
Wages and salaries	**762**	824
Employer's contribution to defined contribution plans	**34**	34
	796	858
Comprises amounts paid to:		
Directors of the Company		
- Wages and salaries	**390**	466
- Employer's contribution to defined contribution plans	**8**	12
	398	478
Other key management personnel		
- Wages and salaries	**372**	358
- Employer's contribution to defined contribution plans	**26**	22
	398	380
	796	858

30 Segment information

The management has determined the operating segments based on the reports reviewed by the management team that are used to make strategic decisions. The management team comprises the Chief Executive Officer, Chief Operating Officer and the heads of each business segment.

The management team considers the business from both a geographic and business segment perspective. The Group has 3 reportable operating segments: investment, real estate development and hospitality. The segments offer different services, and are managed separately as they require different marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

a) Investment:	Investment holding
b) Real estate development:	Property development activities and holding of property related assets
c) Hospitality:	Hotel management and hospitality services

Geographical information

The Group's two business segments operate in two main geographical areas:

- Singapore - the Company is headquartered and has operations in Singapore. The operations in this area are principally investment holding;

- PRC - the operations in this area are principally in real estate development activities and hospitality business.

30 Segment information (continued)

The segment information provided to the management team for the reportable segments is as follows:

	Singapore	PRC		
		Real estate		
	Investment	development	Hospitality	Total
Group	S$'000	S$'000	S$'000	S$'000
2021				
Revenue from external parties	8	-	1,190	1,198
Gross profit	1	-	864	865
Other gains/(losses), net				
- Interest income from bank deposits	-	1	3	4
- Others	362	231	33	626
Distribution and marketing expenses	-	-	(376)	(376)
Administrative expenses	(2,387)	(555)	(2,823)	(5,765)
Finance expenses	(145)	(2)	(278)	(425)
Loss before income tax	(2,169)	(325)	(2,577)	(5,071)
Income tax (expense)/credit	(1)	-	16	15
Net loss	(2,170)	(325)	(2,561)	(5,056)
Depreciation	367	41	1,181	1,589
Amortisation	-	-	8	8
Segment assets	3,976	23,552	35,386	62,914
Segment assets includes:				
Additions to:				
- Property, plant and equipment	155	1	9	165
Segment liabilities	5,601	1,231	10,638	17,470

30 Segment information (continued)

The segment information provided to the management team for the reportable segments is as follows: (continued)

	Singapore		PRC		
Group	Investment S$'000	Real estate agency S$'000	Real estate development S$'000	Hospitality S$'000	Total S$'000
2020					
Revenue from external parties	-	146	-	479	625
Gross profit	-	8	-	217	225
Other gains/(losses), net					
- Interest income from bank deposits	1	-	4	1	6
- Impairment loss on financial assets at amortised cost	-	(16)	-	-	(16)
- Others	(574)	185	78	32	(279)
Distribution and marketing expenses	-	(2)	-	(429)	(431)
Administrative expenses	(2,332)	(59)	(1,736)	(2,275)	(6,402)
Finance expenses	(37)	-	-	(41)	(78)
(Loss)/profit before income tax	(2,942)	116	(1,654)	(2,495)	(6,975)
Income tax credit	2	-	-	11	13
Net (loss)/profit	(2,940)	116	(1,654)	(2,484)	(6,962)
Depreciation	387	2	25	858	1,272
Amortisation	-	-	-	10	10
Segment assets	9,252	122	22,653	32,091	64,118
Segment assets includes:					
Additions to:					
- Property, plant and equipment	4	1	2	8,293	8,300
- Intangible assets	-	-	-	37	37
Segment liabilities	5,491	160	1,202	6,064	12,917

30 Segment information (continued)

	Group	
	2021	2020
	S$'000	S$'000
Non-current assets		
Singapore	**100**	311
PRC	**53,613**	41,138
	53,713	41,449

Revenue from major services

There is no single external customer that contributed 10% or more of the revenue for the financial years ended 30 June 2021 and 2020.

31 Event occurring after balance sheet date

On 7 September 2021, the Company invested an additional RMB2.0 million (equivalent to approximately S$423,000) in the registered and issued share capital of Grand Canal Group. Following the additional investment, the equity interests of the Company in Grand Canal Group has increased from 76.7% to 77.4% and the remaining equity interests are held by 中房联合置业集团有限公司.

32 New or revised accounting standards and interpretations

Below are the mandatory standards and amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 July 2021 and which the Group has not early adopted.

Effective for annual periods beginning on or after 1 January 2021

- SFRS(I) 17 *Insurance Contracts*

Effective for annual periods beginning on or after 1 January 2022

- Amendments to SFRS(I) 3: Reference to the Conceptual Framework
- Amendments to SFRS(I) 1-16: *Property, plant and equipment* – Proceeds before intended use
- Amendments to SFRS(I) 1-37: Onerous contracts – Cost of fulfilling a contract
- Amendments to SFRS(I) 1: *First-time Adoption of Singapore Financial Reporting Standards (International)*
- Amendments to SFRS(I) 9: *Financial Instruments*
- Amendments to Illustrative Examples Accompanying SFRS(I) 16: *Leases*
- Amendments to SFRS(I) 1-41: *Agriculture*
- SFRS(I) 17: *Insurance Contracts*
- Amendments to SFRS(I) 17: *Insurance Contracts*

Effective for annual periods beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-1: Presentation of Financial Statements
- Amendments to SFRS(I) Practice Statement 2: Making Materiality Judgements
- Amendments to SFRS(I) 7: Financial Instruments: Disclosures
- Amendments to SFRS(I) 1-26: Accounting and Reporting by Retirement Benefit Plans
- Amendments to SFRS(I) 1-34: Interim Financial Reporting
- Amendments to Guidance on implementing SFRS(I) 8: Operating Segments
- Amendments to Guidance on implementing SFRS(I) 1-1: Presentation of Financial Statements
- Amendments to SFRS(I) 1-8: Definition of Accounting Estimates

Statistics of **Shareholdings**
As at 20 September 2021

SHAREHOLDERS' INFORMATION

Share Capital

Issued and fully paid-up capital	:	S$199,349,073
Number of shares issued	:	17,825,747,028
Number of treasury shares and subsidiary holdings	:	Nil
Class of shares	:	Ordinary share
Voting rights	:	1 vote per share

Distribution of Shareholders by Size of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	2,647	61.46	33,988	0.00
100 - 1,000	381	8.85	138,115	0.00
1,001 - 10,000	144	3.34	753,710	0.00
10,001 - 1,000,000	733	17.02	252,205,454	1.42
1,000,001 and above	402	9.33	17,572,615,761	98.58
TOTAL	**4,307**	**100.00**	**17,825,747,028**	**100.00**

	Twenty Largest Shareholders	No. of Shares	%
1	Oei Hong Leong	6,374,454,821	35.76
2	Toh Soon Huat	1,420,283,400	7.97
3	DBS Nominees Pte Ltd	1,152,927,416	6.47
4	Hung Ying-Zhen @ Amy Ying-Fen Hung	954,300,000	5.35
5	Citibank Nominees Singapore Pte Ltd	886,580,267	4.97
6	Phillip Securities Pte Ltd	525,609,668	2.95
7	UOB Kay Hian Pte Ltd	522,329,163	2.93
8	Li Yujiao	393,683,333	2.21
9	Maybank Kim Eng Securities Pte. Ltd	315,597,585	1.77
10	Tang Yingjie	254,384,700	1.43
11	Teo Choon Leng Jeffrey	166,000,000	0.93
12	Ng Seng Hong	158,878,100	0.89
13	Goh Yew Lay	150,000,000	0.84
14	Tang Chong Sim	131,916,100	0.74
15	Tan Eng Chua Edwin	130,936,400	0.73
16	Wong Say Yin	107,000,000	0.60
17	Ge Jianming	99,370,300	0.56
18	Ken Tan Khim Sing	93,900,000	0.53
19	Lee Theng Kiat	84,900,000	0.48
20	OCBC Securities Private Ltd	84,394,054	0.47
	TOTAL	**14,007,445,307**	**78.58**

Statistics of **Shareholdings**

As at 20 September 2021

Substantial Shareholders
(As recorded in the Register of Substantial Shareholders)

		Direct Interest		Deemed Interest	
		No. of Shares	**%**	**No. of Shares**	**%**
1	Oei Hong Leong	6,374,454,821	35.76	-	-
2	Toh Soon Huat	1,421,805,700	7.98	-	-
3	Choo Yeow Ming[(1)(2)]	824,969,332	4.63	352,479,500	1.98
4	Hung Ying-Zhen @ Amy Ying-Fen Hung	954,300,000	5.35	-	-

(1) Choo Yeow Ming's direct interest of 762,059,332 shares are held through nominees.

(2) Choo Yeow Ming is deemed interested in the shares held by his spouse. By virtue of section 7 of the Companies Act, he is also deemed to have an interest in shares held by Summers Overseas Limited and Orient Achieve Limited. These deemed interests are held through nominees.

Percentage of Shareholdings in Hand of Public

Based on information available to the Company, as at 20 September 2021, the percentage of shareholdings of the Company held in the hands of the public is approximately 44% and therefore Rule 723 of the Listing Manual is complied with.

Statistics of **Shareholdings**
As at 20 September 2021

WARRANT HOLDERS' INFORMATION (W230130)

Distribution of Warrant Holders by Size of Warrant Holdings

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
1 - 99	6	1.31	337	0.00
100 - 1,000	2	0.44	357	0.00
1,001 - 10,000	14	3.06	44,182	0.00
10,001 - 1,000,000	166	36.24	61,047,921	0.61
1,000,001 and above	270	58.95	9,947,477,266	99.39
TOTAL	**458**	**100.00**	**10,008,570,063**	**100.00**

	Twenty Largest Warrant Holders	No. of Warrants	%
1	Oei Hong Leong	5,228,472,227	52.24
2	UOB Kay Hian Pte Ltd	467,832,801	4.67
3	Phillip Securities Pte Ltd	457,070,167	4.57
4	Li Yujiao	428,566,666	4.28
5	Maybank Kim Eng Securities Pte. Ltd	341,251,681	3.41
6	Teo Choon Leng Jeffrey	164,569,600	1.64
7	Lim Sing Tat	146,841,771	1.47
8	Tang Yingjie	142,800,127	1.43
9	OCBC Securities Private Ltd	135,669,121	1.36
10	Sng Thiam Hock	90,256,140	0.90
11	Ken Tan Khim Sing	80,484,820	0.80
12	Lee Theng Kiat	72,770,620	0.73
13	Goh Yew Lay	72,642,050	0.73
14	DBS Nominees Pte Ltd	71,174,246	0.71
15	Wong Han Yew	70,970,640	0.71
16	Lee Ai Ni	64,285,000	0.64
17	Teo Siew Ngor	64,285,000	0.64
18	Tan Ng Kuang	61,376,746	0.61
19	Tang Chong Sim	53,999,400	0.54
20	Goh Yeu Toh	44,999,500	0.45
	TOTAL	**8,260,318,323**	**82.53**

Statistics of **Shareholdings**

As at 20 September 2021

WARRANT HOLDERS' INFORMATION (W230726)

Distribution of Warrant Holders by Size of Warrant Holdings

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
1 - 99	1	0.52	24	0.00
100 - 1,000	2	1.05	1,100	0.00
1,001 - 10,000	12	6.28	59,580	0.00
10,001 - 1,000,000	77	40.32	26,996,202	0.44
1,000,001 and above	99	51.83	6,118,111,293	99.56
TOTAL	**191**	**100.00**	**6,145,168,199**	**100.00**

	Twenty Largest Warrant Holders	No. of Warrants	%
1	Oei Hong Leong	2,197,820,126	35.77
2	Phillip Securities Pte Ltd	1,109,143,300	18.05
3	Hung Ying-Zhen @ Amy Ying-Fen Hung	900,000,000	14.65
4	Maybank Kim Eng Securities Pte. Ltd	252,002,200	4.10
5	DBS Nominees Pte Ltd	218,887,902	3.56
6	OCBC Securities Private Ltd	143,430,000	2.34
7	Tang Yingjie	80,000,000	1.30
8	Wong Say Yin	74,000,002	1.20
9	Kua Sei Peng or Kee Puay Kiang	60,400,000	0.98
10	Gordon Tan Wee Teck	60,000,000	0.98
11	Chan Kheng Ann	56,560,000	0.92
12	Wong Han Yew	45,000,000	0.73
13	Toh Soon Huat	42,720,600	0.70
14	Boon Kia Heng Justin (Wen Jiaqing)	42,000,000	0.68
15	Boon Suan Aik	42,000,000	0.68
16	Lim Chin Choo @ Elizabeth Lim	42,000,000	0.68
17	Tang Soi Lik or Tang Ei Fun (Chen Yifen)	40,000,000	0.65
18	Citibank Nominees Singapore Pte Ltd	35,000,000	0.57
19	Tang Chong Sim	35,000,000	0.57
20	Ang Kim Chuan	30,000,000	0.49
	TOTAL	**5,505,964,130**	**89.60**

Notice of **Annual General Meeting**

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the "**AGM**" or the "**Meeting**") of the Company will be held by way of electronic means on **Friday, 29 October 2021 at 3.00 p.m.** for the purpose of transacting the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2021 together with the Auditor's Report thereon. **Resolution 1**

2. To re-elect Mr Lien Kait Long who is retiring pursuant to Article 91 of the Company's Constitution. **Resolution 2**
[See Explanatory Note 1]

3. To re-elect Mr Chew Soo Lin who is retiring pursuant to Article 91 of the Company's Constitution. **Resolution 3**
[See Explanatory Note 2]

4. Contingent upon the passing of Ordinary Resolution 3 above, pursuant to Rule 406(3)(d)(iii) of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") which takes effect from 1 January 2022, shareholders to approve Mr Chew Soo Lin's continued appointment as an Independent Director, this Resolution to remain in force until the earlier of his retirement or resignation as a Director or the conclusion of the third AGM following the passing of this Resolution. **Resolution 4**
[See explanatory Note 3]

5. Contingent upon the passing of Ordinary Resolution 4 above, pursuant to Rule 406(3)(d)(iii) of the Catalist Rules which takes effect from 1 January 2022, shareholders (excluding the Directors, the Chief Executive Officer and their associates) to approve Mr Chew Soo Lin's continued appointment as an Independent Director, this Resolution to remain in force until the earlier of his retirement or resignation as a Director or the conclusion of the third AGM following the passing of this Resolution. **Resolution 5**
[See explanatory Note 3]

6. To approve the Directors' Fees of S$240,000 for the financial year ended 30 June 2021 (FY2020: S$253,333). **Resolution 6**

7. To re-appoint Nexia TS Public Accounting Corporation as the Auditor of the Company and to authorise the Directors to fix its remuneration. **Resolution 7**

8. To transact any other ordinary business which may be properly transacted at an AGM.

SPECIAL BUSINESS

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

9. **AUTHORITY TO ALLOT AND ISSUE SHARES**

That pursuant to Section 161 of the Companies Act, Cap. 50, and Rule 806 of Catalist Rules, authority be and is hereby given to the Directors of the Company to allot and issue shares whether by way of rights, bonus or otherwise and 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, from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that: **Resolution 8**

(a) 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) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (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 (a) above, the percentage of issued share capital 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 of passing of this Resolution, after adjusting for (i) new shares arising from the conversion or exercise of the Instruments; (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of this Resolution provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance to subparagraphs (b)(i) and (b)(ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

(c) 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 of the Company; and

(d) unless previously revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or on the date by which the next AGM is required by law to be held, whichever is earlier.

[See Explanatory Note 4]

By Order of the Board

Yap Wai Ming
Company Secretary

Singapore, 14 October 2021

Explanatory Notes:

1. Ordinary Resolution 2 – Mr Lien Kait Long will, upon re-election, continue to serve as the Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee. Mr Lien Kait Long is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Lien Kait Long can be found in the Annual Report 2021. There are no relationships (including immediate family relationships) between Mr Lien Kait Long and any of the Directors, the Company or its 5% shareholders.

2. Ordinary Resolution 3 – Mr Chew Soo Lin will, upon re-election, continue to serve as the Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. Mr Chew Soo Lin is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Chew Soo Lin can be found in the Annual Report 2021. There are no relationships (including immediate family relationships) between Mr Chew Soo Lin and any of the Directors, the Company or its 5% shareholders.

   Further information on the abovementioned directors can be found under the sections titled “Board of Directors”, “Corporate Governance Report” and “Corporate Governance – Appendix A” of the Annual Report 2021.

3. Ordinary Resolution 4 and 5 – On 6 August 2018, the SGX-ST amended the Listing Manual following the publication of the Code of Corporate Governance 2018 by the Monetary Authority of Singapore. As part of the amendments to the Code of Corporate Governance 2018, certain guidelines from the Code of Corporate Governance 2012 were shifted into the Listing Manual for mandatory compliance. On 28 November 2018, the SGX-ST issued the Transitional Practice Note 3 to establish transitional arrangements for certain guidelines shifted into the Listing Manual. Pursuant thereto and in respect of Rule 406(3)(d)(iii) of the Catalist Rules, to ensure that the independence designation of a director who has served for more than 9 years as at and from 1 January 2022 is not affected, the Company is seeking to obtain shareholders’ approvals for Mr Chew Soo Lin’s continued appointment as an independent director prior to 1 January 2022, as he has served for more than 9 years on the Board of the Company. Rule 406(3)(d)(iii) of the Catalist Rules provides that continued appointment as independent director, after an aggregate period of more than 9 years on the board, must be sought and approved in separate resolutions by (A) all shareholders and (B) shareholders excluding the directors, the chief executive officer and their associates.

Ordinary Resolution 4 is conditional upon Ordinary Resolution 5 being passed and vice versa. Both Ordinary Resolutions 4 and 5 are also conditional upon Ordinary Resolution 3 being passed. For the avoidance of doubt, if Ordinary Resolution 3 is not passed, Mr Chew Soo Lin will cease to be a Director with effect from the date of the AGM of the Company, notwithstanding that Ordinary Resolutions 4 and/or 5 may be approved by shareholders at the AGM of the Company.

In the event that Ordinary Resolutions 4 and/or 5 is not approved, Mr Chew Soo Lin will continue to serve as an Independent Director as well as the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees up to and including 31 December 2021 and shall thereafter be re-designated as a Non-Independent Non-Executive Director with effect from 1 January 2022. In such circumstances, during the months prior to 31 December 2021, the Board will take steps to ensure that the Board has the appropriate number of Independent Directors with the relevant experiences in place with effect from 1 January 2022 to fulfil the requirements of the Catalist Rules and Code of Corporate Governance, where applicable.

4. Ordinary Resolution 8 - if passed, will empower the Directors to issue shares and/or Instruments (as defined above) in the capital of the Company. The aggregate number of shares to be issued pursuant to Resolution 8 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company with a sub-limit of 50% for shares issued other than on a pro-rata basis to shareholders (including shares to be issued in pursuance of Instruments made or granted pursuant to the said Resolution). For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued share capital will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for (i) new shares arising from the conversion or exercise of the Instruments; (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of this Resolution provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

1. The AGM will be convened and held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM, Proxy Form and the Company's Annual Report 2021 will not be sent to members. Instead, this Notice of AGM, the Proxy Form and the Company's Annual Report 2021 will be sent to members by electronic means via publication on the Company's website at the URL http://www.asiastrategic.com.sg and made available on the SGXNet at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM of the Company to be held on Friday, 29 October 2021 at 3.00 p.m. are set out in the Company's announcement dated 14 October 2021 (the "**Announcement**"), which has been uploaded together with this Notice of AGM on SGXNet at the URL https://www.sgx.com/securities/company-announcements on the same day. The Announcement may also be accessed at the URL http://www.asiastrategic.com.sg. For the avoidance of doubt, the Announcement is circulated together with and forms part of this Notice of AGM.

In particular, the AGM will be held by way of electronic means and a member of the Company will be able to observe the proceedings of the AGM through a "live" webcast ("**LIVE WEBCAST**") via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed ("**AUDIO ONLY MEANS**") via telephone. In order to do so, a member of the Company who wishes to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must register by 3.00 p.m. on 22 October 2021, at the URL https://globalmeeting.bigbangdesign.co/asiastrategic/. Following authentication of his/her/its status as members of the Company, authenticated members of the Company will receive email instructions by 3.00 p.m. on 28 October 2021 on how to access the LIVE WEBCAST and AUDIO ONLY MEANS to observe the proceedings of the AGM.

A member of the Company who registers to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 3.00 p.m. on 22 October 2021 via the following:

(a) pre-registration link at URL https://globalmeeting.bigbangdesign.co/asiastrategic/; or

(b) email to: contact@asiastrategic.com.sg; or

(c) post to the registered office at 8 Robinson Road #03-00 ASO Building, Singapore 048544

The Company will endeavor to address all substantial and relevant questions received from Shareholders prior to the AGM and publish its response on the SGXNet at the URL https://www.sgx.com/securities/company-announcements and at the Company's website at the URL http://www.asiastrategic.com.sg. Where substantial and relevant questions are unable to be answered prior to the AGM, the Company will address them at the AGM.

3. As a precautionary measure due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:

   (a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road #03-00 ASO Building, Singapore 048544; or

   (b) if submitted by email, be received by the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

   in either case, by 3.00 p.m. on 27 October 2021 being not less than forty-eight (48) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or on his/her attorney duly authorized in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.

7. For investors who hold shares through relevant intermediaries, including CPF and SRS investors, who wish to appoint the Chairman of the Meeting as proxy should contact their relevant intermediaries (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares, to submit their votes at least seven (7) working days before the time appointed for the holding of the AGM (i.e. by 3.00 p.m. on 20 October 2021).

Personal data privacy:

By submitting (a) a proxy form appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, or (b) Shareholder particulars for pre-registration to participate in the AGM via LIVE WEBCAST or AUDIO ONLY MEANS, or (c) submitting any question prior to the AGM in accordance with this Notice of AGM or the Announcement, a Shareholder consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents, advisers or service providers, as the case may be) for the following purposes:

(i) processing and administration by the Company (or its agents, advisers or service providers) of proxy forms appointing the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(ii) processing of pre-registration for participation at the AGM for purpose of granting access to Shareholders to the LIVE WEBCAST or AUDIO ONLY MEANS and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions related to the resolutions to be tabled for approval at the AGM from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof); and

(v) enabling the Company (or its agents, advisers or service providers, as the case may be) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes of the AGM. Accordingly, the personal data of a member (such as name, presence at the AGM and any questions raised or motions proposed/seconded) may be recorded by the Company for such purposes.

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Registration No.: 200609901H)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

This proxy form has been made available on SGXNet and the Company's website and may be accessed at the URL http://www.asiastrategic.com.sg. A printed copy of this proxy form will NOT be despatched to members of the Company.

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Company's announcement dated 14 October 2021 ("**Announcement**") which has been uploaded together with the Notice of AGM dated 14 October 2021 on SGXNet on the same day. The Announcement may also be accessed at the Company's corporate website at the URL http://www.asiastrategic.com.sg. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of AGM dated 14 October 2021 in respect of the AGM.
2. A member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. Please read the notes to this proxy form.

*I/We ______________________ (Name) ______________________ (NRIC/Passport No./Company Registration No.)

of ____ (Address)

being a *member/members of **ASIA-PACIFC STRATEGIC INVESTMENTS LIMITED** (the "**Company**"), hereby appoints the Chairman of the annual general meeting of the Company (the "**AGM**"), as *my/our proxy to vote for *me/us on *my/our behalf at the AGM to be held by way of electronic means (via LIVE WEBCAST and/or AUDIO ONLY MEANS) on Friday, 29 October 2021 at 3.00 p.m. and at any adjournment thereof. *I/We direct the Chairman of the AGM to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the AGM as *my/our proxy will be treated as invalid.

All Resolutions put to the vote at the AGM shall be decided by way of poll.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant Resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" each Resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular Resolution, you are directing your proxy, who is the Chairman of the AGM, not to vote on that Resolution

No.	Resolutions relating to:	For	Against	Abstain
1.	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2021 together with the Auditor's Report thereon.			
2.	Re-election of Mr Lien Kait Long as a Director of the Company.			
3.	Re-election of Mr Chew Soo Lin as a Director of the Company.			
4.	Approval of Mr Chew Soo Lin's continued appointment as an Independent Director by shareholders.			
5.	Approval of Mr Chew Soo Lin's continued appointment as an Independent Director by shareholders (excluding directors, chief executive officer, and their associates).			
6.	Approval of the Directors' Fees for the financial year ended 30 June 2021.			
7.	Re-appointment of Nexia TS Public Accounting Corporation as Auditor.			
8.	Approval of authority to allot and issue shares.			

Date this ________ day of ________________ 2021.

Total no. of Shares in	No. of Shares
(a) Depository Register	
(b) Register of Members	

____

Signature(s) of Member(s)/Common Seal of Corporate Member(s)

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF

NOTES FOR PROXY FORM

1. Please insert the total number of shares in the capital of the Company ("**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 (Cap. 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. 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 of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you.

2. As a precautionary measure due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

3. This instrument appointing the Chairman of the AGM as proxy must:

   (a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road #03-00 ASO Building, Singapore 048544; or

   (b) if submitted by email, be received by the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

   in either case, by 3.00 p.m. on 27 October 2021 (being not less than forty-eight (48) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

4. This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.

   (i) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised. The dispensation of the use of common seal pursuant to the Companies Act (Chapter 50) is applicable at this AGM.

   (ii) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.

5. For investors who hold Shares through relevant intermediaries, including CPF and SRS investors, this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. Investors who wish to appoint the Chairman of the AGM as proxy should contact their relevant intermediaries (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) to submit their votes at least seven (7) working days before the AGM, that is by 20 October 2021.

The Company shall be entitled to reject this proxy form 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 in this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 14 October 2021.

Corporate **Information**

BOARD OF DIRECTORS

Dato' Dr Choo Yeow Ming
Chairman & CEO

Lum Moy Foong
Non-Executive Director

Dr Lam Lee G
Lead Independent Director

Chew Soo Lin
Independent Director

Lien Kait Long
Independent Director

AUDIT COMMITTEE

Lien Kait Long
Chairman

Chew Soo Lin
Dr Lam Lee G

NOMINATING COMMITTEE

Dr Lam Lee G
Chairman

Chew Soo Lin
Dato' Dr Choo Yeow Ming

REMUNERATION COMMITTEE

Chew Soo Lin
Chairman

Dr Lam Lee G
Lien Kait Long

COMPANY SECRETARY

Yap Wai Ming, LLB. (Hons)

REGISTERED OFFICE

8 Robinson Road
#03-00 ASO Building
Singapore 048544
Tel: (65) 6538 0779
Fax: (65) 6438 7926

SHARE REGISTRAR

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

AUDITOR

Nexia TS Public Accounting Corporation
80 Robinson Road
#25-00
Singapore 068898
Director-in-charge: Meriana Ang Mei Ling
Appointed since financial year ended 30 June 2021

INFORMATION ON SUBSIDIARIES

Huzhou Dixi Gengdu Ecological Agriculture Development Co., Ltd
Zhongfang Lianhe Grand Canal Cultural Tourism Group Co., Ltd
Industry Area, Hefu Town
Huzhou City, Zhejiang Province (Yang Dong Mining Area)
313017 People's Republic of China
Tel: (86) 57 2396 6901
Fax: (86) 57 2396 6903

Anatole by Landison Hotel Huzhou
湖州雷迪森怿曼酒店
No. 3 Huanhe Road, Hefu Town
Huzhou City, Zhejiang Province
313017 People's Republic of China
Tel: (86) 57 2331 6666

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