

ASIA-PACIFIC
STRATEGIC INVESTMENTS LIMITED
ANNUAL REPORT
2024





CONTENTS

02

CORPORATE PROFILE

03

CORPORATE STRUCTURE

04

CHAIRMAN'S STATEMENT

06

OPERATIONS REVIEW

08

SIGNIFICANT EVENTS

10

BOARD OF DIRECTORS



11

KEY MANAGEMENT

12

GROUP FINANCIAL HIGHLIGHTS

13

CORPORATE GOVERNANCE REPORT

39

FINANCIAL STATEMENTS

109

STATISTICS OF SHAREHOLDINGS

111

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

This annual report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte Ltd (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay #10-00 Collyer Quay Centre Singapore 049318, sponsorship@ppcf.com.sg



CORPORATE PROFILE

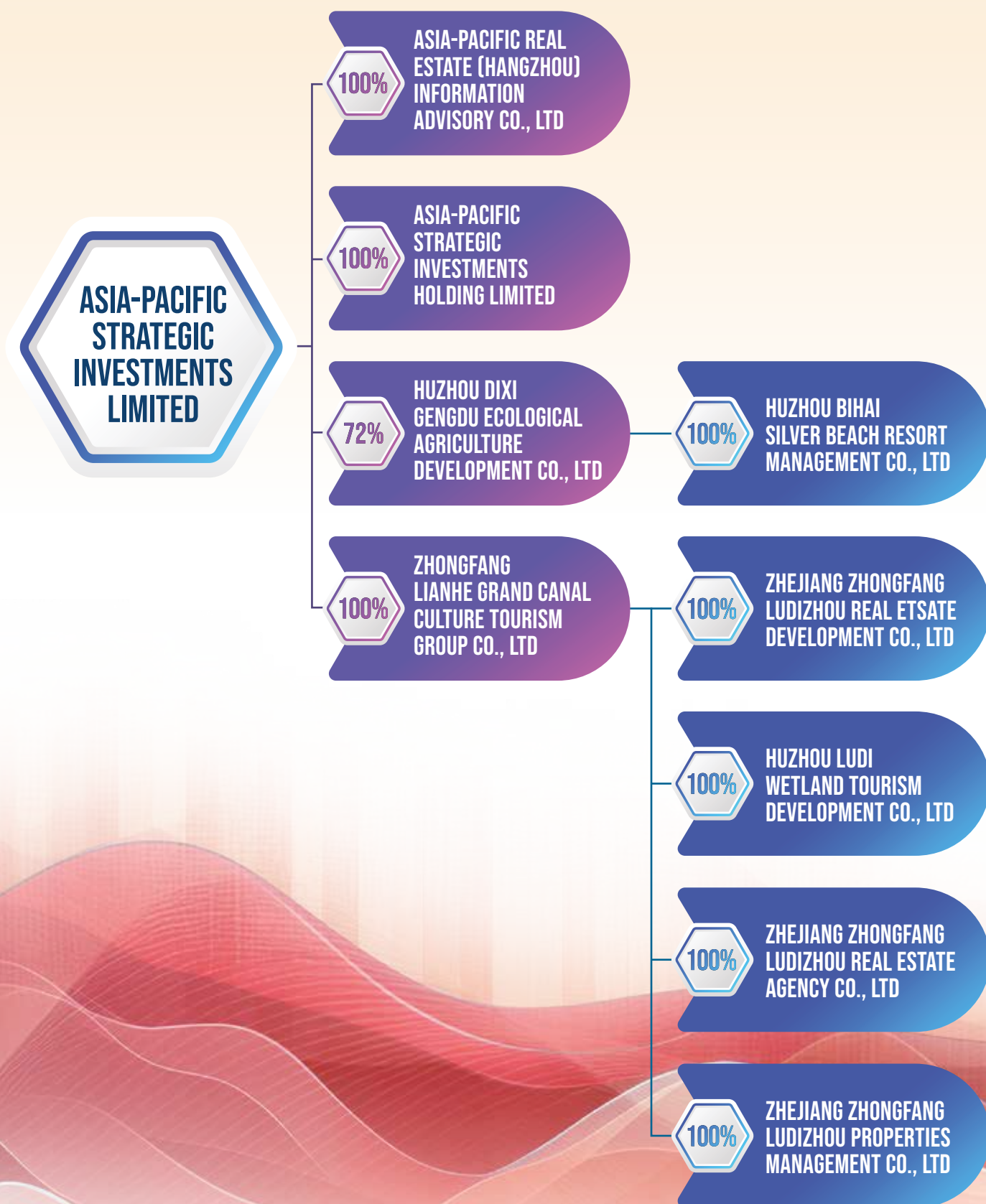
Asia-Pacific Strategic Investments Limited (“APS” or the “Group”) is a real estate developer focusing on the hospitality sector and retirement villages, which cater to the aspirations and needs of the growing elderly population, in China and Southeast Asia.

The Group’s project in Huzhou, or Project Phoenix (凤凰洲项目), is its first foray into China, after it gained majority control of two property companies in Huzhou, Zhejiang province in 2017. Central to our development plan is an integrated residential-cum-active ageing hub supported by a comprehensive range of professionally managed healthcare,

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 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 aquacultural industry in the area.

CORPORATE STRUCTURE



CHAIRMAN'S STATEMENT

Dear Shareholders,

The economy of the People's Republic of China ("PRC" or "China") has had a robust start in 2024, with a 5% year-on-year growth in Gross Domestic Product ("GDP") during the first half of the year. This growth aligns with the annual targets set at the beginning of the year and reflects strong performances in the industrial and service sectors, alongside better-than-expected foreign trade. However, the real estate market has faced ongoing challenges, and domestic demand remains sluggish.

In the second quarter of 2024 ("Q2"), China GDP growth slowed to 4.7% from 5.3% in the first quarter ("Q1"), falling short of expectations. Retail sales growth also declined sharply to 2.6% in Q2 from 4.7% in Q1, reflecting weaker income growth. Additionally, fixed asset investment growth decreased to 3.6% in Q2, with continued subdued activity in the real estate market and infrastructure investment constrained by fiscal shortfalls.

Our Operations in China

Real Estate Development

In May 2024, the Chinese government introduced several measures aimed at addressing the ongoing property slump, which has persisted for over three years. These measures include reducing down payments, lowering mortgage rates, and easing

purchase requirements. Additionally, local governments and state-owned enterprises have been encouraged to purchase unsold homes and convert them into affordable housing. As of July 2024, approximately 382 million square meters of new homes remained unsold¹.


Despite these efforts, the policies have yet to significantly boost demand, as buyer sentiment remains weak due to low income expectations and reduced spending. The value of new-home sales among the top 100 real estate companies fell by about 26.8% year-on-year to RMB251 billion, a steeper decline than the 19.7% drop recorded in July 2024, according to preliminary data from China Real Estate Information Corp. The property sector continues to undergo a rebalancing between supply and demand.

Given the current market conditions, our Group will persist in monitoring the property market and adapting our strategies for real estate development under Project Phoenix. We will also seek strategic partners to support the success of Project Phoenix.

Agricultural Activities and Land Subleasing

In June 2024, we commenced sowing grains on designated land within Project Phoenix, with expected revenue generation starting in the financial year ending 30 June 2025. This agricultural initiative

¹ China Home Sales Slump Drags on Despite Government Rescue - Bloomberg <<https://www.bloomberg.com/news/articles/2024-08-31/china-home-sales-slump-drags-on-despite-governemnt-rescue>>



is a collaboration between our Group and the Nanxun District Government of Huzhou City (“Nanxun Government”). We received a compensation of RMB5.1 million from the Nanxun Government in financial year ended 30 June 2024 for utilising the designated land for agricultural activities. We will continue to receive government support until the end of 2028, provided we maintain agricultural activities on the designated land.

Additionally, we have subleased fish ponds and land within Project Phoenix to generate rental income. We will continue to explore opportunities to derive revenue from these assets while awaiting a recovery in the property market.

Proposed Mixed Development in Timor-Leste

On 15 September 2024, our Company entered into a joint venture and shareholders’ agreement with EMG Unipessoal, LDA, in relation to the proposed mixed development on a plot of state land located at Oecusse Ambeno, Timor-Leste (the “Project Oecusse”). Through a 95%-owned joint venture company, we will transform this land into a vibrant mixed-use development that’s include hotels, shopping malls, serviced residences, electronic gaming entertainment as well as online and sports gaming establishments.

Project Oecusse is currently at planning stage and we will keep Shareholders informed of any significant development related to the project.

Looking Ahead

The property market is inherently cyclical, and we anticipate a rebound in the future. The Chinese government’s commitment of RMB500 billion to support the real estate sector, with only a fraction utilized so far, suggests potential for improvement. We believe that once the People’s Bank of China accelerates the financing program and local governments ease restrictions, the property market will stabilize and sentiment will improve. In the meantime, we will continue to monitor the market and refine our development plans for Project Phoenix.

Additionally, our investment in Project Oecusse presents an opportunity for our Group to expand into Southeast Asia, enhancing both our business performance and long-term sustainability.

Acknowledgements and Appreciation

On behalf of the Board, I would like to extend my gratitude to our shareholders, clients, and business associates for your continued patience and trust as we navigate these challenging times.

To our dedicated staff and management, thank you for your unwavering support, understanding, and perseverance. Together, we remain committed to building a sustainable future for all.

Dato’ Dr Choo Yeow Ming
Chairman and Chief Executive Officer

OPERATIONS REVIEW

Revenue and Operating Results

For financial year ended 30 June 2024 ("FY2024"), the Group reported no revenue due to the disposal of its hospitality segment in the financial year ended 30 June 2023 ("FY2023") and the delay in commencing real estate development activities, attributed to the sluggish property market in China.

The Group recorded other gains of S\$2.1 million in FY2024, a significant improvement from other losses of S\$1.1 million in FY2023. This positive shift was driven by:

- A reduction in foreign exchange losses to S\$19,000 (FY2023: S\$2.7 million);
- Increased rental income of S\$738,000 (FY2023: S\$95,000) from sub-leasing fish ponds and land on the Project Phoenix; and
- Higher compensation from government totaling S\$1.1 million (FY2023: S\$nil).

The increase in other gains was partially offset by the absence of a one-off gain in FY2024, compared to the S\$1.3 million gain from the disposal of the hospitality segment in FY2023.

Administrative expenses decreased by S\$1.8 million to S\$3 million. This reduction was mainly due to:

- No taxes related to the disposal of the hospitality segment (FY2023: S\$1.4 million); and
- A net reversal of S\$159,000 in professional fees related to the terminated proposed acquisition of Catapult Venture Pte Ltd announced on 30 June 2023.

Finance expenses also decreased, attributed to the full repayment of the RMB28.8 million term loan in December 2022, eliminating interest expenses of the said loan for FY2024.

Consequently, the Group reported a net loss of S\$946,000 for FY2024, a significant improvement from the net loss of S\$6.7 million in FY2023.

Assets and Liabilities

Assets

Total assets declined by S\$4.1 million from S\$32.5 million as of 30 June 2023 to S\$28.4 million as of 30 June 2024. The decrease was mainly due to:

- A reduction in other receivables by S\$4.9 million, including the receipt of the outstanding consideration of RMB23.0 million (approximately S\$4.3 million) from the disposal of the hospitality segment and the release of escrow deposits totaling S\$820,000 towards settlement of amount due to contractors; and
- A decrease in cash and cash equivalents by S\$614,000, resulting from:
 - Net cash used in operating activities of S\$3.2 million, driven by an operating loss before working capital changes of S\$1.1 million and a negative change in working capital of S\$2.1 million; and
 - Net cash used in financing activities of S\$1.4 million, primarily for the repayment of bank borrowings and lease liabilities.

This decline was partially offset by a net cash inflow from investing activities of S\$3.9 million, primarily from the receipt of the outstanding consideration from the disposal of the hospitality segment (S\$4.3 million) and penalty interest received (S\$301,000). This cash inflow was partly offset by S\$662,000 in property, plant, and equipment additions.

The decrease in total assets is partly offset by:

- An increase in property, plant, and equipment, primarily due to ongoing construction of a site office and facilities related to agricultural activities in Huzhou, China; and
- Additional expenditure of S\$558,000 for development properties.



Liabilities

Total liabilities decreased by S\$3.1 million from S\$12.7 million as of 30 June 2023 to S\$9.6 million as of 30 June 2024. The decrease was due to:

- Repayments of term loans and lease liabilities amounting to S\$1.3 million and S\$64,000, respectively; and
- Settlement of amounts due to contractors, lease rentals payable, and sundry payables totaling S\$1.1 million, S\$1.2 million, and S\$669,000, respectively.

This reduction was partially offset by an additional interest-free advance of S\$1.4 million from a director.

Outlook

In light of the sluggish property market, the Group will continue to re-evaluate and adjust its real estate development strategy for the Project Phoenix. The Group is also seeking strategic partners for this project and will focus on generating income from the land through ongoing sub-leases and agricultural activities. Income from agricultural activities is expected in FY2025, and the Group will continue to receive government support until 31 December 2028, provided agricultural activities are conducted on the designated land.

SIGNIFICANT EVENTS

DATE	FINANCIAL CALENDAR
31 Oct 2023	Annual General Meeting
5 Feb 2024	Announcement of 1HFY2024 Financial Results
26 Aug 2024	Announcement of FY2024 Financial Results

All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Company previous announcements on SGXNet, with their respective announcement dates indicated below.

DATE	SIGNIFICANT ANNOUNCEMENTS
7 Feb 2024	<p>Announced the entry into supplementary agreement in relation to the Proposed Disposal of Hotel Assets:</p> <p>(a) The Purchaser shall pay RMB5 million of the Outstanding Consideration not later than 15 February 2024. The remaining balance of RMB18 million shall be paid by 15 May 2024;</p> <p>(b) The penalty interest of the outstanding consideration shall increase from an annual rate of 8% to an annual rate of 12% for the period from 16 February 2024 to 15 May 2024; and</p> <p>(c) In the event that the Purchaser failed to settle the remaining balance of RMB18 million by 15 May 2024, the Purchaser will return the legal ownership of the Sale Shares and Hotel Assets to Grand Canal and Grand Canal will be entitled to (i) deduct from the Consideration to be refunded (in addition to the deductions under the terms and conditions of the Acquisition Agreement), a depreciation expenses of the Hotel Assets, calculating at 10% per annum based on the Consideration of RMB80 million from the date of Acquisition Agreement which was 15 December 2022; and (ii) the reinstatement costs of the Hotel to its original form prior to the transfer of its legal ownership to the Purchaser shall be borne by the Purchaser.</p>
7 Mar 2024	<p>Announced the entry into a non-binding heads of agreement (the “HOA”) with Mr. Hayato Kameta (the “Seller”) for the acquisition of the 100% equity interest in Zweispace Pte. Ltd. (“Zweispace”) (the “Proposed Zweispace Acquisition”).</p> <p>Zweispace is a company incorporated in the Republic of Singapore and is 100% owned by the Seller. Zweispace is principally engaged in the business of provision of artificial intelligence (“AI”) solutions to different industries.</p>
6 Apr 2024	<p>Update on the Proposed Zweispace Acquisition - The Company and the Seller have been unable to reach a consensus on the terms of the Proposed Zweispace Acquisition, and the discussions have since ceased. The HOA has lapsed and ceased to be effective on 6 April 2024.</p>
8 Apr 2024	<p>Announced the entry into a conditional sale and purchase agreement (the “SPA”) with Mobii Green Energy Co., Ltd (莫比绿电股份有限公司) (the “Vendor”) in relation to the proposed acquisition by the Company of 100% of the issued and paid-up share capital of Mobii Genius Co., Ltd (莫比机器人股份有限公司) (the “Target Company”) from the Vendor on the terms and conditions of the SPA (the “Proposed Acquisition”).</p> <p>The Target Company is a special purpose vehicle set up to conduct the business of providing efficient and low carbon emissions data processing and storage services, including the prospective development of green energy data centre businesses in Southeast Asia.</p>

DATE	SIGNIFICANT ANNOUNCEMENTS
29 Jun 2024	Announced the entry into a subscription agreement (the "Subscription Agreement") with IFH Technology Limited (the "Subscriber") pursuant to which the Subscriber will subscribe for, and the Company will allot and issue to the Subscriber, 3,143,773,000 new ordinary shares (the "Subscription Shares") in the capital of the Company ("Shares") at an issue price of S\$0.002 for each Subscription Share (the "Issue Price"), amounting to an aggregate consideration of S\$6,287,546 (the "Proposed Subscription").
10 Jul 2024	Update on the Proposed Subscription – Receipt of the listing and quotation notice ("LQN") from the Singapore Exchange Regulation Pte. Ltd. ("SGX RegCo"), for the Subscription Shares on 10 July 2024.
19 Jul 2024	Update on the Proposed Subscription - the Company, through its sponsor, PrimePartners Corporate Finance Pte. Ltd., has on 19 July 2024 applied to the SGX RegCo for an extension of five (5) market days of up to 26 July 2024 (the "Extension") to place out the Subscription Shares (the "Extension Application").
23 Jul 2024	Update on the Proposed Subscription - SGX RegCo has, via the Sponsor, informed the Company on 23 July 2024 that it has no objection to the Extension Application.
26 Jul 2024	Update on the Proposed Subscription – (a) As the Company is unable to issue the Subscription Shares to the Subscriber on 26 July 2024, the LQN granted by SGX RegCo on 10 July 2024 and subsequently extended by the Extension Application, has lapsed on 26 July 2024. The Proposed Subscription could not be completed by 26 July 2024 as the consideration of S\$6,287,546 payable by the Subscriber has not been made to the Company, and the Company was notified by the Subscriber that additional time is required for the remittance of the consideration due to the travelling schedule of Mr. Wen, the sole director and shareholder of the Subscriber. (b) At the request of the Subscriber, the Company has agreed to extend the Long-Stop Date by a further one (1) month to 26 August 2024 or such other date as may be mutually agreed upon in writing by both parties. The Subscriber has agreed to pay an amount of S\$324,377, as the penalty for the extension of the Long Stop Date.
23 Aug 2024	Update on the Proposed Subscription – The Long Stop Date is further extended by a further 2 weeks to 9 September 2024.
9 Sep 2024	Update on the Proposed Subscription – The Subscription Agreement was terminated as the consideration of S\$6,287,546 payable by the Subscriber has not been made to the Company by the further extended Long Stop Date.
17 Sep 2024	Announced the entry into a joint venture and shareholders' agreement with EMG Unipessoal, LDA for the construction and development of a piece of land in Timor-Leste into a mixed development for commercial purpose, including hotels, shopping malls, serviced residences, electronic gaming entertainment as well as online and sports gaming establishments.
2 Oct 2024	Update on the Proposed Acquisition – Due to the Conditions specified in SPA, in particular the Condition in relation to the GPU Contracts, have neither been fulfilled or waived in accordance with the terms of the SPA, pursuant to terms of the SPA, the SPA was automatically terminated on 2 October 2024 and is of no further force and effect.

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 company secretary of an investment holding company.

Dr Lam Lee G **Lead Independent Director** *(Resigned with effect from 2 October 2024)*

Dr Lam was appointed to the Board on 5 June 2007. Dr Lam has extensive international experience in general management, strategy consulting, policy advocacy, corporate governance, direct investment, investment banking and asset management. He started his career in Canada at Bell-Northern Research (the research and development arm of Nortel) and Bell Canada, and later returned to Hong Kong to serve as general manager at Hong Kong Telecom, Vice President and Managing Partner – Greater China of the international management consulting firm A.T. Kearney, Executive Director of Singapore Technologies Telemedia (a member of Temasek Holdings), Vice-Chairman and Chief Operating Officer of investment banking division of BOC International Holdings (the international investment banking arm of the Bank of China group), President and Chief Executive Officer and Vice Chairman of the Board of Chia Tai Enterprises International (now C.P. Lotus Corporation) of multinational conglomerate C.P. Group, Chairman - Hong Kong and ASEAN Region and Senior Adviser – Asia, of Macquarie Capital, Non-executive Chairman – Greater China and ASEAN Region and Chief Advisor – Asia, of Macquarie Infrastructure and Real Assets, and Senior Advisor, Macquarie Group Asia.

Dr Lam holds a Master of Systems Science and a Master of Business Administration from the University of Ottawa in Canada, a Master of Public Administration and a Doctor of Philosophy from University of Hong Kong, and a Master of Laws from the University of Wolverhampton. Dr Lam was a practising barrister and solicitor of the High Court of Hong Kong, a fellow of Certified Management Accountants (CMA) Australia, the Hong Kong Institute of Arbitrators, the Hong Kong Institute of Directors, an International affiliate of the Hong Kong Institute of Certified Public Accountants, an Honorary Fellow of Certified Public Accountants (CPA) Australia, the Hong Kong Institute of Facility Management and the University of Hong Kong School of Professional and Continuing Education, and a distinguished fellow of the Hong Kong Innovative and Technology Development Association.

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. He then joined the Khong Guan group of companies where he managed the operations of various biscuit factories in Malaysia, Indonesia, China and Thailand. 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 of both the Institute of Singapore Chartered Accountants and CPA Australia. 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 20 years of experience serving as independent director cum chairman of audit committee 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.



GROUP FINANCIAL HIGHLIGHTS

Key Financial Ratios	FY2022 (Re-presented)	FY2023	FY2024
Loss per share (S\$ cents)	(0.08)	(0.03)	(0.005)
Continuing operations	(0.02)	(0.03)	(0.005)
Discounted operations	(0.06)	(0.002)	-
Net Asset Value per share (S\$ cents)	0.1	0.1	0.1

Income Statement (S\$ Million)	FY2022 (Re-presented)	FY2023	FY2024
Revenue	1.2	0.7	-
Continuing operations	-	-	-
Discounted operations	1.2	0.7	-
Net Loss attributable to equity holders of the Company	(13.9)	(6.0)	(0.8)
Continuing operations	(3.3)	(5.7)	(0.8)
Discounted operations	(10.6)	(0.3)	-

Balance Sheet (S\$ Million)	FY2022	FY2023	FY2024
Total assets	46.0	32.5	28.4
Total liabilities	18.2	12.7	9.6
Shareholders' equity	25.3	16.3	15.5
Cash and cash equivalents	1.0	1.8	1.2

CORPORATE GOVERNANCE REPORT

Asia-Pacific Strategic Investments Limited (the “Company”) and its subsidiaries (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 2024, with specific reference made to the Principles of the Code of Corporate Governance 2018 (the “Code”) and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (“SGX-ST”) in January 2015 (the “Guide”) and the new requirements implemented by SGX-ST effective from 11 January 2023, where applicable to the Company.

In line with the Code, the Board of Directors (the “Board”) hereby confirms that the Company has generally adhered to the provisions set out in the Code and the Guide and where it has deviated from the Code and/or the Guide, appropriate explanations are provided.

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.

As at 30 June 2024, 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)

Dr Lam has stepped down as a Director of the Company on 2 October 2024 and Mr Chew will step down as a Director of the Company at the conclusion of the forthcoming annual general meeting (the “AGM”) as his tenure as Independent Director exceeded 9 years. The Company is in the process of identifying suitable replacements to meet the requirements of the Code for the composition of the Board and the Board Committees.

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 2024 and the attendance of the Directors set out in the table below:

Directors' Attendance at Board and Board Committee Meetings								
Name of Director	Board Meeting		Audit Committee Meeting		Nominating Committee Meeting		Remuneration Committee Meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Dato' Dr Choo Yeow Ming	3	3	3 ⁽¹⁾	3	1	1	1 ⁽¹⁾	1
Lum Moy Foong	3	3	3 ⁽¹⁾	3	1 ⁽¹⁾	1	1 ⁽¹⁾	1
Dr Lam Lee G	3	3	3	3	1	1	1	1
Chew Soo Lin	3	3	3	3	1	1	1	1
Lien Kait Long	3	3	3	3	1 ⁽¹⁾	1	1	1

⁽¹⁾ By invitation.

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 has an interest.

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.

CORPORATE GOVERNANCE REPORT

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 and/or his representative attends all Board meetings and meetings of Board Committees. The Company Secretary also 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 2024.

All the Directors have completed the mandatory sustainability training courses to equip themselves with the basic knowledge on sustainability matters in the financial year ended 30 June 2023.

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 NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

As at the date of this report, which is 15 October 2024, the Board comprises three (3) male Directors and one (1) female Director, which accounts for a 25% female representation. The Company has met its objectives in ensuring a diversity of gender on the Board.

Each Director has been appointed based on the strength of his or her caliber, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses. The goal is to cultivate a Board with a wide range of perspectives and experiences that contribute to the success of the Company and steer the Company forward.

CORPORATE GOVERNANCE REPORT

The NC has assessed the current level of diversity on the Board to be satisfactory and given the current size of the Board and the nature of the business at present, the Board does not propose to set specific diversity targets or concrete timelines for achieving board diversity targets. Instead, the Company takes the approach that maintaining a satisfactory level of diversity is an ongoing process which may need to be updated as the business of the Group develops.

The NC, having conducted its reviews, was satisfied that current Board members consist of a group with diverse professional expertise and possess the relevant core competencies in areas such as accounting, finance, strategic planning, legal or corporate governance, relevant industry knowledge or experience and business management. In particular, the Executive Director of the Company, possess good industry knowledge while the Non-executive Director and Independent Directors, who are professionals in their own fields, are able to take a broader view of the Group's activities, contribute their valuable experiences and provide independent judgment during Board deliberations.

The Board, taking into account the view of the NC, considers that the current composition of the Board and Board Committees comprise a balance and mix of skills, experiences and individual attributes which promote the effectiveness of the Board as a whole and that of the Board Committees, and the current size of the Board is appropriate in leading and governing the Company effectively considering the scope and nature of its operation. The Board met its objectives in ensuring diverse skills and experience given that the existing Board members comprise of Directors with a mix of expertise and knowledge and diverse background.

The Company complied with Provision 2.3 of the Code as Non-Executive Directors (which include the Independent Directors) made up a majority of the Board. However, in view of Dr Lam's stepped down as an Independent Director on 2 October 2024, the Independent Directors of the Company is made up of 50% of the Board where our Chairman of the Board is an Executive Director. The Company is in the process of identifying suitable replacements to meet the requirements of Provision 2.2 of the Code.

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 substantial 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. 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. Each member of the NC has abstained from deliberations in respect of the assessment of his own independence.

The Non-executive Directors 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.

CORPORATE GOVERNANCE REPORT

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.

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

Dr Lam and Mr Chew have been on board for more than nine years since their respective date of appointment as Director of the Company. Dr Lam has stepped down as a Director of the Company on 2 October 2024. In the spirit of good corporate governance, and to facilitate the Board renewal, Mr Chew will be stepping down as a Director of the Company at the conclusion of the forthcoming annual general meeting ("AGM"). Mr Chew has given notice of his resignation and will be resigning as a Director of the Company at the conclusion of the AGM. His decision for stepping down is also in compliance with Rule 406(3)(d)(iv) of the Listing Manual Section B: Rules of Catalyst (the "Catalist Rules") of SGX-ST which took effect from 11 January 2023, where a director who has been a director of the company for an aggregate period of more than nine years (whether before or after listing) may continue to be considered independent until the conclusion of the next annual general meeting of the Company for the financial year ending on or after 31 December 2023.

At the conclusion of the forthcoming AGM, Mr Chew will cease as the Chairman of Remuneration Committee and a member of the Audit Committee and Nominating Committee accordingly.

Further details on Mr Chew's cessation as a Director may be found in the Company's announcement published on the SGXNet on 15 October 2024.

CORPORATE GOVERNANCE REPORT

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.

Where appropriate, 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.

In view of Dr Lam’s stepped down as a Director of the Company on 2 October 2024, the NC and the Board have commenced the process of sourcing of candidates to be appointed as Lead Independent Director of the Company.

CORPORATE GOVERNANCE REPORT

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 as at 30 June 2024 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, the Board Committees 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. The NC will generally identify suitable candidates skilled in core competencies such as strategic planning, accounting or finance and business or management expertise. Diversity considerations will also be made in selecting and nominating new directors. After endorsement by the Board of the key attributes, the NC taps the resources of the Directors' personal contacts or engage external independent professional advisors in search for 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.

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 AGM of the Company.

CORPORATE GOVERNANCE REPORT

Pursuant 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. For the forthcoming AGM, the Directors who are subject to retirement by rotation and eligible for re-election are Dato' Dr Choo Yeow Ming and Mr Lien Kait Long.

Dato' Choo and Mr Lien, being eligible and having consented to stand for re-election at the forthcoming AGM. The NC has recommended for Dato' Choo and Mr Lien to be nominated for re-election at the forthcoming AGM and the Board has accepted the NC's recommendation. In recommending Dato' Choo and Mr Lien 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 a Director to the Board. Dato' Choo and Mr Lien do not have any relationship (including immediate family relationship) with other Directors, the Company or the substantial shareholders of the Company. 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.

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	31 October 2022	N.A.	N.A.	N.A.
Lum Moy Foong	22 March 2018	31 October 2023	N.A.	N.A.	- Oei Hong Leong Foundation Pte Ltd
Dr Lam Lee G (Resigned with effect from 2 October 2024)	5 June 2007	31 October 2022	<u>Listed on the Hong Kong Stock Exchange</u> - Hang Pin Living Technology Company Limited - Mei Ah Entertainment Group Limited - Mingfa Group (International) Company Limited - RENHENG Enterprise Holdings Limited - Sinohope Technology Holdings Limited (formerly known as New Huo Technology Holdings Limited)	<u>Listed on the SGX-ST</u> - Alset International Limited - Beverly JCG Ltd - Thomson Medical Group Limited <u>Listed on the Hong Kong Stock Exchange</u> - China Hong Kong Power Smart Energy Group Limited (formerly known as China LNG Group Limited) - CSI Properties Limited	- 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
Dr Lam Lee G (Resigned with effect from 2 October 2024)	5 June 2007	31 October 2022	<u>Listed on the Australian Securities Exchange</u> - AustChina Holdings Limited	<u>Listed on the Hong Kong Stock Exchange</u> - Elife Holdings Limited - Greenland Hong Kong Holdings Limited - Haitong Securities Company Limited - Huarong International Financial Holdings Limited - Kidsland International Holdings Limited - MOS House Group Limited - National Arts Group Holdings Limited - USPACE Technology Group Limited (formerly known as Hong Kong Aerospace Technology Group Limited) - Sunwah Kingsway Capital Holdings Limited - Vongroup Limited <u>Listed on Bursa Malaysia</u> - TMC Life Sciences Berhad <u>Listed on the London Stock Exchange</u> - Jade Road Investments 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
Chew Soo Lin	5 June 2007	31 October 2023	<u>Listed on the SGX-ST</u> - Khong Guan Limited - Duty Free International Limited <u>Listed on Bursa Malaysia</u> - Kim Hin Joo (Malaysia) Berhad	<u>Listed on the SGX-ST</u> - MTQ Corporation Limited	- Khong Guan Group Pte Ltd - Cepheus Corporation Pte Ltd
Lien Kait Long	16 May 2018	29 October 2021	<u>Listed on the SGX-ST</u> - Falcon Energy Group Limited (in compulsory liquidation) - H2G Green Limited	<u>Listed on the SGX-ST</u> - Tat Seng Packaging Group Ltd <u>Listed on OTC USA</u> - China Enterprises Limited	N.A.

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 10 and 11 of this Annual Report.

Board Performance

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

The NC has established a formal appraisal process to assess the performance and effectiveness of the Board and the Board Committees, 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, the effectiveness of the Board Committees, 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.

CORPORATE GOVERNANCE REPORT

A review of the Board's and Board Committees' performance is conducted by the NC annually. Each NC member will be required to complete the 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 and Board Committees' performance. Recommendations to further enhance effectiveness of the Board and Board Committees are implemented as appropriate.

The evaluation of the contribution by the individual Director to the Board is done through self-assessment, and in each case through a confidential questionnaire completed by the Directors individually. The assessment parameters for such individual evaluation include both qualitative and quantitative factors such as attendance records, contributions during Board meetings, as well as individual performance of principal functions and fiduciary duties.

The NC has reviewed the overall performance of the Board, the Board Committees and individual Director for FY2024 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 policies 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.

As at 30 June 2024, 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 minimise 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;

CORPORATE GOVERNANCE REPORT

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' Choo. 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' Choo in respect of his termination in accordance with the terms of the Service Agreement.

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.

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. For the upcoming FY2024 AGM, the Board has recommended the Directors' fee of S\$240,000 in respect of financial year ended 30 June 2024 for shareholders' approval.

No Director is involved in deciding his/her own remuneration. Each RC member has abstained from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her, if any.

CORPORATE GOVERNANCE REPORT

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 2024 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 2024 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 ⁽²⁾	< 250,000	93	7	100

⁽²⁾ Ceased to be Group Financial Controller with effect from 31 May 2024.

In financial year ended 30 June 2024, the aggregate amount of remuneration paid to the above key management personnel was approximately S\$377,000.

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 2024.

No termination or retirement benefits or post-employment benefits were granted to the Directors, the CEO or key management personnel during the financial year ended 30 June 2024.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures 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 Group'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 2024.

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") as at 30 June 2024 is comprised entirely of Independent Non-executive Directors, namely:

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

CORPORATE GOVERNANCE REPORT

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 of the internal auditor and external 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 external auditor;
2. reviewing the interim and annual financial statements, focusing in particular on significant financial reporting issues and judgement and the external auditor's report on the annual financial statements of the Company before submission to the Board for approval;
3. reviewing 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;
4. meeting with the external 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;
5. reviewing 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;
6. reviewing the nature and extent of non-audit services provided by the external auditor;
7. recommending to the Board the nomination of external auditor and terms of engagement including remuneration;
8. reporting actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate;
9. reviewing interested person transactions in accordance with the requirements of the Catalist Rules;
10. reviewing the assurance from the Chief Executive Officer and the Chief Operating Officer (who also oversees the financial function of the Group) on the financial records and financial statements;
11. 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; and
12. 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.

CORPORATE GOVERNANCE REPORT

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 external auditor CLA Global 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.

During the financial year ended 30 June 2024, 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/payable to the external auditor for the financial year ended 30 June 2024 was:

	S\$'000
Audit fees	71
Non-audit fees	8
Total fees	<u>79</u>

The AC has reviewed the non-audit services rendered by the external auditor for the financial year ended 30 June 2024, 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 CLA Global 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 2024, 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.

CORPORATE GOVERNANCE REPORT

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 relating to the agenda of the meeting. 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 2023, all Directors were present at the Company's general meetings held on 31 October 2023.

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.

Notice of AGM is also advertised in a national newspaper within the mandatory period.

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.

Minutes of the AGM which records the substantial and relevant comments and queries relating to the agendas of the general meetings raised by shareholders, together with responses from the Board and Management will be released via SGXNet and publish on the Company's website within one month from the date of AGM.

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 2024 because of losses incurred and the financial position of the Company.

CORPORATE GOVERNANCE REPORT

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 is committed 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 does not have a formal investor relations policy. However, shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act. There is no dedicated investor relations team in place as the Board was of the view that the current communication channels are sufficient and cost-effective. Notwithstanding, the Company maintains a corporate website to constantly communicate with stakeholders. The Company welcomes any comment, feedback and query from the stakeholders through the Company's corporate website and strives to engage and manage relationships with the stakeholders. Stakeholders may find such information on the investors relation section of the Company's corporate website.

The Company will hold an AGM on 30 October 2024. 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.

CORPORATE GOVERNANCE REPORT

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 2024 will also be set out in the Company's sustainability report which will be published in October 2024.

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

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 one month before the announcement of the Company's half-year and full-year financial statements and ending on the day of the announcement of the relevant financial statements.

MATERIAL CONTRACTS

Save for the Service Agreement between the Executive Director and the Company and advances provided by the Executive Director to the Company, there were no material contracts 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 ("IPT"), if any.

There were no IPTs of S\$100,000 and above for FY2024.

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.

WHISTLE BLOWING POLICY

The Group has in place a whistle-blowing policy to ensure independent investigations of complaints relating to fraud, corruption, possible improprieties in financial reporting, breach of law, non-compliance with the Group's code of conduct and business practices, and any wrongful acts by any employees of the Group, and for appropriate follow-up action.

The policy is aimed at encouraging the reporting of such matters in good faith and that staff of the Group and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal and detrimental or unfair treatment. The Group is also committed in ensuring that the identity of the whistleblower is kept confidential. Anonymous complaints may be considered, taking into account factors such as the merits of the issues raised. Any suspected non-compliance case and/or concern may be reported in writing and forwarded to AC Chairman by (i) post to 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 and/or (ii) email to auditcommittee.asiastrategic@gmail.com. The policy has a well-defined process which ensues independent investigation of issues/concerns raised and appropriate follow-up action.

All reported whistle-blowing incidents or concerns will be independently investigated and remedial actions will be taken to address the whistle-blowing incidents. The AC has oversight and monitoring of the policy.

SPONSORSHIP

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is PrimePartners Corporate Finance Pte Ltd.

For the financial year ended 30 June 2024, the net non-sponsor fees paid was S\$30,000 for advising on the proposed corporate action to be undertaken by the Company.

SUSTAINABILITY REPORT

The Company's sixth sustainability report which covers the period from 1 July 2023 to 30 June 2024 will be published in October 2024 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.

CORPORATE GOVERNANCE – APPENDIX A

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to retiring Director seeking re-election at the forthcoming AGM as set out in Appendix 7F of the Catalist Rules is disclosed below.

Name of person	Dato' Dr Choo Yeow Ming	Mr Lien Kait Long
Date of appointment	6 July 2006	16 May 2018
Date of last re-appointment (if applicable)	31 October 2022	29 October 2021
Age	71	76
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 Dato' Dr Choo Yeow Ming's contribution as Executive Chairman and CEO of the Company, and has recommended that Dato' Dr Choo Yeow Ming 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	Executive. Dato' Dr Choo Yeow Ming is responsible for the overall operations, management, strategic planning and business development of the Group	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer	Non-executive Independent Director. Chairman of Audit Committee and a member of Remuneration Committee
Professional qualifications	Law degree from the University of Malaya, the Chicago-Kent College of Law and Harvard University Law School	Bachelor of Commerce, Accounting
Working experience and occupation(s) during the past 10 years	Executive Chairman and Chief Executive Officer of the Company	Retiree
Shareholding interest in the listed issuer and its subsidiaries	824,969,332 ordinary shares in the Company (Direct Interest) 352,479,500 ordinary shares in the Company (Deemed Interest)	34,501,500 ordinary shares in the Company (Direct Interest)

CORPORATE GOVERNANCE – APPENDIX A

Name of person	Dato' Dr Choo Yeow Ming	Mr 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
<p>Other Principal Commitments* including Directorships#</p> <p>* “Principal Commitments” has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p> <p>Past (for the last 5 years)</p> <p>Present</p>	<p><u>Past 5 years</u></p> <p>Nil</p> <p><u>Present</u></p> <p>Nil</p>	<p><u>Past 5 years</u></p> <p><u>Listed on the SGX-ST</u></p> <p>1. China Jishan Holdings Limited (privatised and delisted from the SGX-ST on 10 December 2020)</p> <p>2. Tat Seng Packaging Group Ltd</p> <p><u>Listed on OTC USA</u></p> <p>1. China Enterprises Limited</p> <p><u>Present</u></p> <p><u>Listed on the SGX-ST</u></p> <p>1. Falcon Energy Group Limited (in compulsory liquidation)</p> <p>2. H2G Green Limited</p>
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, general manager or other officer of equivalent rank.</p> <p>If the answer to any question is “yes”, full details must be given.</p>		
(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

CORPORATE GOVERNANCE – APPENDIX A

Name of person	Dato' Dr Choo Yeow Ming	Mr Lien Kait Long
<p>(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?</p>	No	<p>Yes</p> <p>Mr Lien was an Independent Director of Falcon Energy Group Limited (“Falcon”), a company listed on the SGX-ST. As announced by Falcon on 21 August 2024, Ambank (M) Berhad (Labuan Offshore Branch) filed a winding-up application HC/CWU140/2021 against Falcon in the High Court of Singapore (“High Court”).The winding-up application pertained to a debt owed by Falcon to the creditor bank.</p> <p>As announced by Falcon on 5 April 2024, the High Court has made a winding order against Falcon.</p> <p>Please refer to SGXNet for the above and all related announcements made by Falcon.</p>
<p>(c) Whether there is any unsatisfied judgment against him?</p>	No	No
<p>(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?</p>	No	No

CORPORATE GOVERNANCE – APPENDIX A

Name of person	Dato' Dr Choo Yeow Ming	Mr Lien Kait Long
(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
(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

CORPORATE GOVERNANCE – APPENDIX A

Name of person	Dato' Dr Choo Yeow Ming	Mr Lien Kait Long
(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
(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

CORPORATE GOVERNANCE – APPENDIX A

Name of person	Dato' Dr Choo Yeow Ming	Mr Lien Kait Long
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.
<p>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.</p> <p>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).</p>	N.A.	N.A.

Note:

N.A. – Not Applicable

FINANCIAL CONTENTS

40	DIRECTORS' STATEMENT
44	INDEPENDENT AUDITOR'S REPORT
51	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
53	STATEMENTS OF FINANCIAL POSITION
54	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
55	CONSOLIDATED STATEMENT OF CASH FLOWS
57	NOTES TO THE FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

For the financial year ended 30 June 2024

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2024 and the statement of financial position of the Company as at 30 June 2024.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company as set out on pages 51 to 108 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 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
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' STATEMENT

For the financial year ended 30 June 2024

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 30.6.2024	At 1.7.2023	At 30.6.2024	At 1.7.2023
Company				
<i>(No. of ordinary shares)</i>				
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	-	-
<i>(No. of warrants expired on 26 July 2023)</i>				
Chew Soo Lin	-	21,600,000	-	-
Lien Kait Long	-	23,001,000	-	-

- (b) The directors' interests in the ordinary shares of the Company as at 21 July 2024 were the same as those as at 30 June 2024.

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.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2024

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 (resigned with effect from 2 October 2024)
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 1967. 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, focusing in particular on significant financial reporting issues and judgement 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;
- 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;
- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual Section B: Rules of Catalyst;
- Reviews the assurance from the Chief Executive Officer and the Chief Operating Officer (who also oversees the financial function of the Group) on the financial records and financial statements; and
- Reviews 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.

The AC convened three meetings during the financial year ended 30 June 2024. 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, CLA Global TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2024

Independent auditor

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

On behalf of the directors

.....
Dato' Dr Choo Yeow Ming
Director

.....
Lien Kait Long
Director

7 October 2024

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 statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2024, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (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 2024 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 applicable to 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

The Group is in the real estate development business in People's Republic of China ("PRC") since the financial year ended 30 June 2018. As PRC's real estate crisis plagues its economy, this gives rise to financial statements risk such as the determination of valuation of the Group's significant assets in the operations in PRC which comprise the development properties of the Group's mixed development of prime residential and commercial properties (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").

INDEPENDENT AUDITOR'S REPORT

To the Members of Asia-Pacific Strategic Investments Limited

Key Audit Matters (continued)

1. Valuation and impairment of assets (continued)

(a) Development properties

[Refer to Notes 3.2 and 15]

Area of focus

As at 30 June 2024, the carrying amount of development properties amounted to S\$15,074,000. In view of the negative sentiments in the real estate industry in PRC, 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 amount of development properties is significant to the Group, and significant judgement is applied in assessing the net realisable value of development properties and the current downturn in real estate in PRC. There is also a high degree of estimation uncertainty inherent in assessing the duration and severity of the economic downturn and the pattern of any expected recovery which are considered in the impairment assessment.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, we:

- Obtained an understanding of the current status and the effects of economic condition of the Huzhou Project through discussions with management;
- Reviewed management's assessment on the net realisable value of the Group's development properties;
- Involved our internal valuation specialists to review the appropriateness of the valuation approach and significant underlying assumptions used in determining the net realisable value of the development properties; and
- Reviewed the adequacy of the disclosure on the Group's development properties.

INDEPENDENT AUDITOR'S REPORT

To the Members of Asia-Pacific Strategic Investments Limited

Key Audit Matters (continued)

1. Valuation and impairment of assets (continued)

(b) Expected credit loss ("ECL") on other receivables

[Refer to Notes 3.3, 12 and 27(b)]

Area of focus

As at 30 June 2024, the Group has other receivable due from non-related party - Nanxun District Government in relation to the reimbursement of infrastructure expenditures incurred by the Group amounting to S\$8,963,000 which will be offset against the cost of acquisition of development land for the Huzhou Project in future. This receivable represents 32% 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.

As the ECL assessment on other receivables involved significant management's judgement in assessing the credit-worthiness of the receivables, 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

In obtaining sufficient audit evidence, we:

- Obtained an understanding and evaluated the Group's processes on ECL assessment for other receivables;
- Reviewed the factors used by management to develop the definition of "default" that is consistent with internal credit risk management practices and consider qualitative indicators (i.e. credit worthiness of the counter-party, current market condition, forecasts of future economic condition and any changes to the government policies);
- Assessed the reasonableness of management's judgement and assumptions applied in the ECL model; and
- Reviewed and considered the adequacy of the disclosures made in the financial statements in respect of the credit risk of other receivables.

INDEPENDENT AUDITOR'S REPORT

To the Members of Asia-Pacific Strategic Investments Limited

Key Audit Matters (continued)

2. Going concern assumptions

[Refer to Note 2.1]

Area of focus

The Group incurred a total loss and net operating cash outflows of S\$946,000 and S\$3,169,000 respectively for the financial year ended 30 June 2024, and as at that date, the Group was in a net current liabilities position of S\$5,920,000.

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

- (i) The Group is continuing its negotiations with the contractors to finalise the final contract sums and it is expected that the payment of the accrued construction cost (included in current trade and other payables) amounting to S\$1,238,000 as at 30 June 2024 will be delayed beyond 12 months from the end of the financial year; and
- (ii) The Group's Executive Chairman and Chief Executive Officer, Dato' Dr Choo Yeow Ming ("Dato' Choo") undertakes to provide financial support to the Group in order to enable the Group to continue its operations as a going concern for the next 18 months and to meet its liabilities as and when they fall due. In addition, Dato' Choo will also not seek repayment for the S\$4,200,000 advances provided to the Group within the next 18 months.

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 assumptions 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, and financial support from Dato' Choo are important considerations for the going concern assumptions. 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 reporting date;

INDEPENDENT AUDITOR'S REPORT

To the Members of Asia-Pacific Strategic Investments Limited

Key Audit Matters (continued)

2. Going concern assumptions (continued)

How our audit addressed the area of focus (continued)

In obtaining sufficient audit evidence, we: (continued)

- Assessed and 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;
- Obtained the letter of financial support and evaluated Dato' Choo's ability to provide financial support to the Group that the Group will be able to pay its debts as and when they fall due; 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Asia-Pacific Strategic Investments Limited

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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Asia-Pacific Strategic Investments Limited

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 corporation 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 Teh Yeu Horng.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

7 October 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	Note	2024 S\$'000	2023 S\$'000
Continuing operations			
Revenue		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Other gains/(losses), net			
- Interest income:			
• Other receivables		301	160
• Bank deposits		2	2
- Others	6	1,837	(1,273)
Expenses			
- Administrative		(3,000)	(4,809)
- Finance	7	(59)	(404)
		<hr/>	<hr/>
Loss before income tax		(919)	(6,324)
Income tax expense	8(a)	(27)	-
		<hr/>	<hr/>
Loss from continuing operations		(946)	(6,324)
Discontinued operations			
Loss from discontinued operations	9	-	(400)
		<hr/>	<hr/>
Total loss		<u>(946)</u>	<u>(6,724)</u>
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
- Currency translation loss arising from consolidation			
• Loss	24	(1)	(1,036)
• Reclassification	24	-	218
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
- Currency translation loss arising from consolidation		*	(413)
		<hr/>	<hr/>
Other comprehensive loss, net of tax		(1)	(1,231)
		<hr/>	<hr/>
Total comprehensive loss		<u>(947)</u>	<u>(7,955)</u>

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	Note	2024 S\$'000	2023 S\$'000
Loss attributable to:			
Equity holders of the Company		(805)	(5,993)
Non-controlling interests		(141)	(731)
		<u>(946)</u>	<u>(6,724)</u>
Loss attributable to equity holders of the Company relates to:			
Loss from continuing operations		(805)	(5,682)
Loss from discontinued operations		-	(311)
		<u>(805)</u>	<u>(5,993)</u>
Total comprehensive loss attributable to:			
Equity holders of the Company		(806)	(6,811)
Non-controlling interests		(141)	(1,144)
		<u>(947)</u>	<u>(7,955)</u>
Loss per share for loss from continuing and discontinued operations attributable to equity holders of the Company (cents per share)			
Basic and diluted loss per share			
From continuing operations	10	(0.005)	(0.03)
From discontinued operations	10	-	(0.002)
		<u>(0.005)</u>	<u>(0.032)</u>

* Less than S\$1,000

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	Note	Group		Company	
		2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	1,205	1,819	19	24
Other receivables	12	681	5,545	22,920	24,309
Other current assets	13	1,777	1,497	118	119
Financial assets, at FVOCI	14	*	*	*	*
		3,663	8,861	23,057	24,452
Non-current assets					
Other receivables	12	8,963	8,963	-	-
Development properties	15	15,074	14,516	-	-
Investments in subsidiary corporations	16	-	-	12,689	12,689
Property, plant and equipment	17	709	121	13	81
		24,746	23,600	12,702	12,770
Total assets		28,409	32,461	35,759	37,222
LIABILITIES					
Current liabilities					
Other payables	19	8,269	10,001	5,193	4,497
Borrowings	20	1,314	2,626	1,314	2,626
Provision for reinstatement costs	21	-	50	-	50
		9,583	12,677	6,507	7,173
Non-current liabilities					
Borrowings	20	-	11	-	11
Deferred income tax liabilities	22	-	-	-	-
		-	11	-	11
Total liabilities		9,583	12,688	6,507	7,184
Net assets		18,826	19,773	29,252	30,038
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	23	195,743	195,743	195,743	195,743
Foreign currency translation reserve	24	(17,013)	(17,012)	(15,939)	(15,939)
Statutory reserve	25	107	-	-	-
Fair value reserve	26	(6,000)	(6,000)	(6,000)	(6,000)
Accumulated losses		(157,376)	(156,464)	(144,552)	(143,766)
		15,461	16,267	29,252	30,038
Non-controlling interests	16	3,365	3,506	-	-
Total equity		18,826	19,773	29,252	30,038

* 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 2024

Note	Attributable to equity holders of the Company							Total equity S\$'000
	Share capital S\$'000	Foreign currency translation reserve S\$'000	Statutory reserve S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non- controlling interests S\$'000	
2024								
Balance as at 1 July 2023	195,743	(17,012)	-	(6,000)	(156,464)	16,267	3,506	19,773
Total comprehensive loss for the financial year	-	(1)	-	-	(805)	(806)	(141)	(947)
Appropriation to statutory reserve	-	-	107	-	(107)	-	-	-
Issuance of new ordinary shares pursuant to exercise of warrants	*	-	-	-	-	*	-	*
Balance as at 30 June 2024	195,743	(17,013)	107	(6,000)	(157,376)	15,461	3,365	18,826
2023								
Balance as at 1 July 2022	195,738	(16,158)	-	(6,000)	(148,311)	25,269	2,454	27,723
Total comprehensive loss for the financial year	-	(818)	-	-	(5,993)	(6,811)	(1,144)	(7,955)
Issuance of new ordinary shares pursuant to exercise of warrants	5	-	-	-	-	5	-	5
Effect of dilution in non-controlling interests	-	*	-	-	(19)	(19)	19	-
Acquisition of additional interests in a subsidiary corporation	-	(36)	-	-	(2,141)	(2,177)	2,177	-
Balance as at 30 June 2023	195,743	(17,012)	-	(6,000)	(156,464)	16,267	3,506	19,773

* Less than S\$1,000

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2024

	Note	2024 S\$'000	2023 S\$'000
Cash flows from operating activities			
Total loss		(946)	(6,724)
Adjustments for:			
- Income tax expense/(credit)	8(a)	27	(7)
- Interest expense on bank borrowings	7	55	296
- Interest expense on lease liabilities	18(b)	4	9
- Interest expense on other payables	7	-	101
- Interest income		(303)	(162)
- Depreciation of property, plant and equipment	17	72	339
- Gain on disposal of hospitality segment	6	-	(1,302)
- Write-off of property, plant and equipment	6	2	-
- Gain on lease modification	6	-	(5)
- Unrealised currency translation differences		2	3,351
		(1,087)	(4,104)
Change in working capital, net of effects from disposal of hospitality segment:			
- Development properties		(555)	(1,171)
- Trade and other receivables		558	(222)
- Inventories		-	(6)
- Other current assets		(280)	(44)
- Trade and other payables		(1,730)	3,042
- Provision for reinstatement costs		(50)	-
Cash used in operations		(3,144)	(2,505)
- Interest received		2	2
- Income tax paid		(27)	-
Net cash used in operating activities		(3,169)	(2,503)
Cash flows from investing activities			
- Additions to property, plant and equipment		(662)	-
- Interest received		301	160
- Disposal of hospitality segment, net of cash disposed of	11	4,298	10,641
Net cash provided by investing activities		3,937	10,801

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2024

	Note	2024 S\$'000	2023 S\$'000
Cash flows from financing activities			
- Proceed from issuance of new shares pursuant to exercise of warrants	23	*	5
- Repayment of bank borrowings		(1,259)	(6,850)
- Principal repayment of lease liabilities		(64)	(69)
- Interest paid for bank borrowings		(55)	(296)
- Interest paid for lease liabilities		(4)	(9)
- Interest paid on other payables		-	(101)
Net cash used in financing activities		(1,382)	(7,320)
Net (decrease)/increase in cash and cash equivalents		(614)	978
Cash and cash equivalents			
Beginning of financial year		1,819	961
Effects of currency translation on cash and cash equivalents		*	(120)
End of financial year	11	1,205	1,819

* Less than S\$1,000

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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

1 General information

Asia-Pacific Strategic Investments Limited (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.

The registered office is at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 and the principal place of operations is at Industry Area, Hefu Town, Huzhou City, Zhejiang Province (Yang Dong Mining Area), 313017 The People’s Republic of China (the “PRC”).

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary corporations are disclosed in Note 16 to the financial statements.

2 Material 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 to the financial statements.

Going concern assumptions

The Group incurred a total loss and net operating cash outflows of S\$946,000 (2023: S\$6,724,000) and S\$3,169,000 (2023: S\$2,503,000) respectively for the financial year ended 30 June 2024 and is in a net current liabilities position of S\$5,920,000 (2023: S\$3,816,000) as at 30 June 2024.

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

- (i) The Group is continuing its negotiations with the contractors to finalise the final contract sums and it is expected that the payment of the accrued construction cost (included in current other payables) amounting to S\$1,238,000 as at 30 June 2024 will be delayed beyond 12 months from the end of the financial year; and
- (ii) The Group’s Executive Chairman and Chief Executive Officer, Dato’ Dr Choo Yeow Ming (“Dato’ Choo”) undertakes to provide financial support to the Group in order to enable the Group to continue its operations as a going concern for the next 18 months and to meet its liabilities as and when they fall due. In addition, Dato’ Choo will also not seek repayment for the S\$4,200,000 advances provided to the Group within the next 18 months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2024

On 1 July 2023, 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.

(a) *Interest income*

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

(b) *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.

2.3 Government grants

Grants 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.

Grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Grants relating to expenses are shown separately as “other gains/(losses), net”.

Grants relating to assets are deducted against the carrying amount of the assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

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 statement of financial position. 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.

(ii) *Acquisitions*

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

2.4 Group accounting (continued)

(a) *Subsidiary corporations* (continued)

(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.

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:

	<u>Useful lives</u>
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

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

2.5 Property, plant and equipment (continued)

(c) Depreciation (continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting 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.

2.6 Development properties

Development properties are those project land which are held with the intention for development and sale in the ordinary course of business. They are stated at the lower of cost and the estimated net realisable value. Net realisable value represents the estimated cost of replacement for the development project.

2.7 Borrowing costs

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

2.8 Investments in subsidiary corporations

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

2.9 Impairment of non-financial assets

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

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.

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.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. 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.

2.10 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.

At initial recognition

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

2.10 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents 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.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

2.11 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

2.12 Other payables

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.

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

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting 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.

2.14 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 reporting 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.

2.15 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

2.15 Leases (continued)

When the Group is the lessee (continued)

- 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.

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 liabilities are measured at amortised cost using the effective interest method. Lease liabilities 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 liabilities are 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

2.15 Leases (continued)

When the Group is the lessee (continued)

- 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.

2.16 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 reporting 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.

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:

- 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 reporting date; and
- based on the tax consequence that will follow from the manner in which the Group expects, at the reporting 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

2.17 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 expenses”.

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

2.18 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.

2.19 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 (“S\$”), which is the functional currency of the Company and all values have been rounded to the nearest thousand (S\$'000) unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

2.19 Currency translation (continued)

(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 reporting 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.

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 reporting 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 reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policies (continued)

2.20 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.

2.21 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.

2.22 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.

2.23 Statutory reserve

Statutory reserve represents the amount transferred from profit after tax of the subsidiary corporation incorporated in the PRC in accordance with the PRC requirement. The statutory reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount towards setting off any accumulated losses or increasing capital. The statutory reserve is not available for dividend distribution to shareholders.

2.24 Dividends to Company's shareholders

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

2.25 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary corporation acquired exclusively with a view to resale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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

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 of disposal ("FVLCD") 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 investments in subsidiary corporations

The impairment assessment was carried out by management during the financial year. Management had assessed that one of the subsidiary corporations, Huzhou Dixi Gengdu Ecological Agriculture Development Co., Ltd., has objective evidence or indication that the carrying amount may be impaired as at the reporting date. The recoverable amount was determined based on the estimation of the FVLCD of the subsidiary corporation's net assets as at year end.

No impairment loss has been recognised during the financial year ended 30 June 2024 as the recoverable amount exceeded the carrying amount of investments in subsidiary corporations. The details of investments in subsidiary corporations are disclosed in Note 16 to the financial statements.

3.2 Net realisable value of development properties

The carrying amount of the Group's development properties at the reporting date is S\$15,074,000 (2023: S\$14,516,000) (Note 15). 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 with SFRS(I) 1-2 *Inventories*. A write-down is made if the net realisable value is less than the carrying amount. Management had assessed that the net realisable value based on the estimated conversion price of agricultural land to real estate development in Huzhou, PRC. No write-down is made as the net realisable value was higher than the carrying amount.

3.3 Impairment of other receivables

As at 30 June 2024, the carrying amount of the Group's other receivables is S\$9,644,000 (2023: S\$14,508,000) (Note 12).

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

At each reporting 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

3 Critical accounting estimates, assumptions and judgements (continued)

3.3 Impairment of other receivables (continued)

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 ECL.

The information about the ECL on the Group's other receivables is disclosed in Note 27(b) to the financial statements.

4 Expenses by nature

	Group	
	2024	2023
	S\$'000	S\$'000
<u>Continuing operations</u>		
Fees on audit services paid/payable to:		
- Auditor of the Company	71	81
Fees on non-audit services paid/payable to:		
- Auditor of the Company	8	7
Continuing sponsor fees	66	65
Depreciation of property, plant and equipment (Note 17)	72	94
Employee compensation (Note 5)	1,660	1,736
Rental expenses – short-term and low-value leases (Note 18(c))	348	327
Professional fees	147	579
Travelling expenses	90	87
Value-added and other taxes	6	1,443
Other expenses	532	390
Total administrative expenses	3,000	4,809

5 Employee compensation

	Group	
	2024	2023
	S\$'000	S\$'000
<u>Continuing operations</u>		
Wages and salaries	1,527	1,593
Employer's contribution to defined contributions plans	52	48
Other short-term benefits	81	95
	1,660	1,736

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

6 Other gains/(losses), net

	Group	
	2024	2023
	S\$'000	S\$'000
<u>Continuing operations</u>		
Currency exchange loss - net	(19)	(2,717)
Compensation from government*	1,108	-
Government grant	2	3
Gain on disposal of hospitality segment (Note 11)	-	1,302
Rental income	738	95
Gain on lease modification	-	5
Property, plant and equipment written-off	(2)	-
Others	10	39
	<u>1,837</u>	<u>(1,273)</u>

* The compensation from government is an amount received from District Government of Nanxun District, Huzhou City, the PRC, in respect of utilising the designated land of the Group at Nanxun District for the purpose of agricultural activities.

7 Finance expenses

	Group	
	2024	2023
	S\$'000	S\$'000
<u>Continuing operations</u>		
Interest expense on:		
- Bank borrowings	55	296
- Lease liabilities (Note 18(b))	4	7
- Other payables	-	101
	<u>59</u>	<u>404</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8 Income taxes

(a) *Income tax expense/(credit)*

	Group	
	2024	2023
	S\$'000	S\$'000
Tax credit attributable to loss is made up of:		
<u>From continuing operations</u>		
Profit for the financial year:		
- Current income tax - Foreign	27	-
<u>From discontinued operations</u>		
- Deferred income tax (Note 22)	-	(7)
	27	(7)

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	
	2024	2023
	S\$'000	S\$'000
Loss before income tax from:		
- continuing operations	(919)	(6,324)
- discontinued operations	-	(407)
	(919)	(6,731)
Tax calculated at tax rate of 17% (2023: 17%)	(156)	(1,144)
Effects of:		
- different tax rate in other country	(11)	(972)
- expenses not deductible for tax purposes	602	2,269
- income not subject to tax	(408)	(160)
Tax expense/(credit) recognised in profit or loss	27	(7)

(b) *Movement in current income tax liabilities*

	Group		Company	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Beginning of financial year	-	-	-	-
Tax expense	27	-	-	-
Income tax paid	(27)	-	-	-
End of financial year	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

9 Discontinued operations and Disposal of Hospitality Segment

On 15 December 2022, the Company's direct subsidiary corporation, Zhongfang Lianhe Grand Canal Culture Tourism Group Co., Ltd (中房联合大运河文化旅游集团有限公司, "Grand Canal"), and Zhejiang Zhongfang Yashe Hotel Management Co., Ltd (浙江中房雅舍酒店管理有限公司, "Yashe"), a subsidiary corporation of Grand Canal entered into an equity and asset acquisition agreement (the "Acquisition Agreement") with Huzhou Hongji Enterprise Management Co., Ltd. (湖州弘基企业管理有限公司, the "Purchaser") pursuant to which Grand Canal will sell 100% of the issued shares in Yashe (the "Sale Shares") and Anatole by Landison Hotel Huzhou (the "Hotel") and related assets (together, the "Hotel Assets") to the Purchaser for an aggregate consideration of RMB80,000,000 (equivalent to S\$14,952,000) (the "Consideration") on the terms and conditions of the Acquisition Agreement (the "Disposal of Hospitality Segment").

The Disposal of Hospitality Segment was approved by the shareholders at the extraordinary general meeting held on 6 February 2023. The Group has lost control over Yashe and the Hotel Assets thereafter. Please refer to Note 11 to the financial statements for the effects of Disposal of Hospitality Segment.

In compliance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the entire results of Yashe and the profit and loss related to the Hotel Assets are presented separately in the statement of comprehensive income for financial year ended 30 June 2023 as "Discontinued Operations".

(a) The results of the discontinued operations are as follows:

	Group 2023 S\$'000
Revenue	653
Expenses	<u>(1,060)</u>
Loss before income tax from discontinued operations	(407)
Income tax credit (Note 8(a))	<u>7</u>
Net loss for the financial year from discontinued operations	<u><u>(400)</u></u>

(b) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group 2023 S\$'000
Operating cash outflows	(20)
Financing cash outflows	<u>(13)</u>
Total cash outflows	<u><u>(33)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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.

	Continuing operations		Discontinued operations		Total	
	2024	2023	2024	2023	2024	2023
Net loss attributable to equity holders of the Company (S\$'000)	<u>(805)</u>	<u>(5,682)</u>	<u>-</u>	<u>(311)</u>	<u>(805)</u>	<u>(5,993)</u>
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	17,828,693	17,826,935	17,828,693	17,826,935	17,828,693	17,826,935
Effect of dilutive potential ordinary shares ('000)	<u>-</u>	<u>6,145,158</u>	<u>-</u>	<u>6,145,158</u>	<u>-</u>	<u>6,145,158</u>
Weighted average number of ordinary shares outstanding for diluted loss per share ('000)	<u>17,828,693</u>	<u>23,972,093</u>	<u>17,828,693</u>	<u>23,972,093</u>	<u>17,828,693</u>	<u>23,972,093</u>
Basic and diluted loss per share (cents per share)	<u>(0.005)</u>	<u>(0.03)</u>	<u>-</u>	<u>(0.002)</u>	<u>(0.005)</u>	<u>(0.03)</u>

The Group does not have any dilutive potential shares as at 30 June 2024.

As the Group recorded net losses for the financial year ended 30 June 2023, the dilutive potential shares from the warrants are anti-dilutive and no changes are made to the diluted loss per share.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

11 Cash and cash equivalents

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Cash at bank and on hand	<u>1,205</u>	<u>1,819</u>	<u>19</u>	<u>24</u>

Disposal of Hospitality Segment

During the financial year ended 30 June 2023, the Group completed the Disposal of the Hospitality Segment (Note 9).

The effects of the disposal on the cash flows of the Group were:

	Group 2023 S\$'000
<u>Carrying amounts of assets and liabilities disposed of</u>	
Property, plant and equipment	14,133
Cash and cash equivalents	13
Trade and other receivables	43
Inventories	14
Other current assets	<u>66</u>
Total assets	<u>14,269</u>
Trade and other payables	266
Borrowings	29
Deferred income tax liabilities (Note 22)	<u>542</u>
Total liabilities	<u>837</u>
Net assets disposed of	<u><u>13,432</u></u>

The aggregate cash inflows arising from the disposal were:

	Group 2023 S\$'000
Net assets disposed of (as above)	13,432
Reclassification of translation reserve (Note 24)	218
Gain on disposal (Note 6)	<u>1,302</u>
Cash proceeds on disposal	14,952
Less: Outstanding proceeds from disposal (Note 12(b))	(4,298)
Cash and cash equivalents in subsidiary corporation disposed of	<u>(13)</u>
Net cash inflows on disposal	<u><u>10,641</u></u>

The Group has received the outstanding proceeds amounting to S\$4,298,000 during the financial year ended 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

12 Other receivables

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
<i>Current</i>				
Other receivables				
- Non-related parties ^(b)	428	5,293	-	-
- Value-added taxes receivable	253	252	-	-
- Subsidiary corporations ^(c)	-	-	22,920	24,309
	<u>681</u>	<u>5,545</u>	<u>22,920</u>	<u>24,309</u>
<i>Non-current</i>				
Other receivables				
- Non-related party ^(a)	8,963	8,963	-	-
Total other receivables	<u>9,644</u>	<u>14,508</u>	<u>22,920</u>	<u>24,309</u>

Included in other receivables are the following:

- Amount due from non-related party - District Government of Nanxun District, Huzhou City of Zhejiang Province, PRC (the "Nanxun District Government") of S\$8,963,000 (2023: S\$8,963,000) 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.
- Amount receivable from the Purchaser in respect of the Disposal of Hospitality Segment amounting to S\$Nil (2023: S\$4,298,000) which bears an interest of 8% to 12% (2023: 8%) per annum. The amount is fully repaid in April 2024.
- The non-trade amounts due from subsidiary corporations are unsecured, bears an interest of 8% (2023: 8%) per annum and are repayable on demand.

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	
	2024 S\$'000	2023 S\$'000	2024 %	2023 %
Group				
Other receivables - Non-related party	<u>8,824</u>	<u>8,762</u>	<u>1.6</u>	<u>2.3</u>

13 Other current assets

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Deposits	106	91	106	91
Prepayments	1,671	1,406	12	28
	<u>1,777</u>	<u>1,497</u>	<u>118</u>	<u>119</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

14 Financial assets, at FVOCI

	Group and Company	
	2024	2023
	S\$'000	S\$'000
Unquoted equity securities – British Virgin Island	*	*

* Less than S\$1,000

The financial assets at FVOCI represent 22.3% equity interest of a company that is engaged in the 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.

During the financial year ended 30 June 2021, 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 in view of the lack of marketability and data to determine the realisable value. The fair value loss of S\$2,000,000 was charged to other comprehensive income.

There has been no further development after the financial assets were valued at their nominal value, the valuation of these financial assets has remained unchanged as at current financial year ended 30 June 2024.

15 Development properties

	Group	
	2024	2023
	S\$'000	S\$'000
Properties under development		
- Development expenditure incurred to-date	15,074	14,516

Development properties are expected to be recovered after 12 months from the financial year ended 30 June 2024.

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"). The Group 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, commercial, educational and family entertainment facilities that promote overall well-being and life-long learning.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

16 Investments in subsidiary corporations

	Company	
	2024 S\$'000	2023 S\$'000
<i>Equity investments at cost</i>		
Beginning of financial year	27,766	27,717
Additional investment in registered and issued share capital of subsidiary corporations in PRC		
- Zhongfang Lianhe Grand Canal Culture Tourism Group Co., Ltd	-	49
End of financial year	27,766	27,766
<i>Less: Allowance for impairment</i>		
Beginning of financial year	(15,077)	(905)
Impairment recognised in profit and loss during the financial year	-	(14,172)
End of financial year	(15,077)	(15,077)
	12,689	12,689

Impairment assessment

2024

The impairment assessment was carried out by management during the financial year. Management had assessed that one of the subsidiary corporations, Huzhou Dixi Gengdu Ecological Agriculture Development Co., Ltd., has objective evidence or indication that the carrying amount may be impaired as at the reporting date. No impairment was provided as the recoverable amount which was determined by management based on the estimation of the FVLCD of the subsidiary corporation's net assets. The recoverable amount of the subsidiary corporation is approximately 12% higher than its carrying amount.

2023

The impairment assessment was carried out by management during the financial year. The recoverable amount was determined based on the fair values of the underlying assets and liabilities of the subsidiary corporations which has indicated that the recoverable amount for the investment is lower than its carrying amount. Accordingly, an additional impairment for the cost of investment of S\$14,172,000 was recognised during the financial year ended 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

16 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		Proportion of ordinary shares directly held by Group		Proportion of ordinary shares held by non-controlling interests	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
<u>Held by the Company</u>								
Asia-Pacific Strategic Investments Holding Limited ⁽¹⁾	Investment holding	Singapore	100.0	100.0	100.0	100.0	-	-
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	72.0	72.0	72.0	72.0	28.0	28.0
Zhongfang Lianhe Grand Canal Culture Tourism Group Co., Ltd ("Grand Canal") 中房联合大运河文化旅游集团有限公司 ^{(2), (3)}	Real estate developer	PRC	100.0	100.0	100.0	100.0	-	-
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	100.0	100.0	100.0	100.0	-	-
<u>Held by Huzhou Agriculture Co</u>								
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	-	-	72.0	72.0	28.0	28.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

16 Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows: (continued)

Name	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	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
<u>Held by Grand Canal</u>								
Huzhou Ludi Wetland Tourism Development Co., Ltd 湖州芦荻湿地旅游发展有限公司 ^{(2), (3)}	Provision of tourism services	PRC	-	-	100.0	100.0	-	-
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	-	-	100.0	100.0	-	-
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	-	-	100.0	100.0	-	-
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	-	-	100.0	100.0	-	-

⁽¹⁾ Not required to be audited under the laws of the country of incorporation.

⁽²⁾ Audited by Shanghai CLA Global TS Certified Public Accountants for consolidation purposes.

⁽³⁾ Collectively, the Huzhou Subsidiary Corporations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

16 Investments in subsidiary corporations (continued)

Significant restriction

Cash and cash equivalents of S\$1,186,000 (2023: S\$1,794,000) are held in PRC and are subjected to local exchange control regulations. These local exchange control regulations provide for restrictions on remitting capital from the country, other than through normal dividends.

Carrying value of non-controlling interests

	Group	
	2024	2023
	S\$'000	S\$'000
Huzhou Agriculture Co	<u>3,365</u>	<u>3,506</u>

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

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

Summarised statement of financial position

	Huzhou Agriculture Co	
	2024	2023
	S\$'000	S\$'000
Current		
Assets	16,444	18,427
Liabilities	(24,927)	(26,611)
Total current net liabilities	<u>(8,483)</u>	<u>(8,184)</u>
Non-current		
Assets	20,499	20,704
Net assets	<u>12,016</u>	<u>12,520</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

16 Investments in subsidiary corporations (continued)

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

Summarised statement of comprehensive income

	Huzhou Agriculture Co		Grand Canal	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Continuing operations				
Revenue	-	-	-	-
Loss before income tax	(503)	(742)	-	(2,030)
Income tax expense	-	-	-	-
Loss from continuing operations	(503)	(742)	-	(2,030)
Discontinued operations				
Loss from discontinued operations	-	-	-	(400)
Total loss	(503)	(742)	-	(2,430)
Other comprehensive loss	*	(1,455)	-	(25)
Total comprehensive loss	(503)	(2,197)	-	(2,455)
Total comprehensive loss allocated to non-controlling interests	(141)	(615)	-	(529)

Summarised statement of cash flows

	Huzhou Agriculture Co		Grand Canal	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Net cash (used in)/provided by operating activities	(313)	1,637	-	(3,781)
Net cash provided by investing activities	-	*	-	10,641
Net cash provided by/(used in) financing activities	258	(1,578)	-	(5,577)
Net (decrease)/increase in cash and cash equivalents	(55)	59	-	1,283
Cash and cash equivalents at beginning of financial year	70	14	-	540
Effect of currency translation on cash and cash equivalents	*	(3)	-	(109)
Cash and cash equivalents at end of financial year	15	70	-	1,714

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

16 Investments in subsidiary corporations (continued)

Effect of dilution in non-controlling interests

During the financial year ended 30 June 2023, the Company invested an additional RMB250,000 (equivalent to approximately S\$49,000) in the registered and paid-up capital of Grand Canal. Following the additional investment, the equity interests of the Company in Grand Canal has increased from 78.4% to 78.5% and the remaining equity interests are held by China Real Estate Group Union Co., Ltd (中房联合置业集团有限公司, "CREG"). The effect of changes in the shareholding of the Group in Grand Canal is summarised as follows:

	Group 2023 S\$'000
Additional investment	49
Additional investment shared by non-controlling interests at 21.5%	10
Less: Carrying amount of non-controlling interests in relation to dilution of interest	9
Effect of dilution of interest in non-controlling interests	19
Currency translation differences (Note 24)	*
Excess of additional investment shared by non-controlling interests recognised in parent's equity	19

* Less than S\$1,000

Acquisition of additional interests in a subsidiary corporation

On 9 March 2023, the Company and CREG entered into a mediation and concluded a settlement agreement (the "Settlement Agreement"). Pursuant to the terms of the Settlement Agreement, the remaining equity interest of Grand Canal of 21.5% held by CREG has been transferred to the Company for nil consideration. Consequently, Grand Canal became a wholly-owned subsidiary corporation of the Company.

The carrying amount of the non-controlling interests in Grand Canal on the date of acquisition was a deficit balance of S\$2,177,000. The Group derecognised non-controlling interests of deficit balance of S\$2,177,000 and recorded a decrease in equity attributable to owners of the parent of S\$2,141,000. The effect of changes in the ownership interest of Grand Canal on the equity attributable to owners of the Company during the year is summarised as follows:

	Group 2023 S\$'000
Carrying amount of non-controlling interest acquired	2,177
Currency translation differences (Note 24)	(36)
Consideration paid to non-controlling interest	-
Deficit of consideration paid recognised in parent's equity	2,141

Except for the above, there were no material transactions with non-controlling interests for the financial years ended 30 June 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

17 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	Construction in progress S\$'000	Total S\$'000
Group						
2024						
<i>Cost</i>						
Beginning of financial year	-	45	166	303	-	514
Additions	-	-	-	-	662	662
Written-off	-	-	(117)	-	-	(117)
End of financial year	-	45	49	303	662	1,059
<i>Accumulated depreciation</i>						
Beginning of financial year	-	45	155	193	-	393
Depreciation charge (Note 4)	-	-	3	69	-	72
Written-off	-	-	(115)	-	-	(115)
End of financial year	-	45	43	262	-	350
Net book value						
End of financial year	-	-	6	41	662	709

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

17 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	Construction in progress S\$'000	Total S\$'000
Group						
2023						
<i>Cost</i>						
Beginning of financial year	28,297	1,541	567	2,483	-	32,888
Additions	-	-	-	125	-	125
Disposal of hospitality segment	(25,731)	(1,340)	(292)	(1,806)	-	(29,169)
Disposal/Written-off	-	-	(73)	(276)	-	(349)
Currency translation differences	(2,566)	(156)	(36)	(223)	-	(2,981)
End of financial year	-	45	166	303	-	514
<i>Accumulated depreciation</i>						
Beginning of financial year	12,713	954	498	1,621	-	15,786
Depreciation charge						
- Continuing operations (Note 4)	-	-	3	91	-	94
- Discontinued operations	185	29	1	30	-	245
Disposal of hospitality segment	(12,703)	(885)	(247)	(1,201)	-	(15,036)
Disposal/Written-off	-	-	(73)	(276)	-	(349)
Currency translation differences	(195)	(53)	(27)	(72)	-	(347)
End of financial year	-	45	155	193	-	393
Net book value						
End of financial year	-	-	11	110	-	121

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

17 Property, plant and equipment (continued)

	Buildings S\$'000	Office equipment, furniture and fittings S\$'000	Vehicle S\$'000	Total S\$'000
Company				
2024				
<i>Cost</i>				
Beginning of financial year	-	140	125	265
Written-off	-	(117)	-	(117)
End of financial year	-	23	125	148
<i>Accumulated depreciation</i>				
Beginning of financial year	-	132	52	184
Depreciation charge	-	3	63	66
Written-off	-	(115)	-	(115)
End of financial year	-	20	115	135
Net book value				
End of financial year	-	3	10	13
2023				
<i>Cost</i>				
Beginning of financial year	282	145	271	698
Additions	-	-	125	125
Written-off	(282)	(5)	(271)	(558)
End of financial year	-	140	125	265
<i>Accumulated depreciation</i>				
Beginning of financial year	282	134	258	674
Depreciation charge	-	3	65	68
Written-off	(282)	(5)	(271)	(558)
End of financial year	-	132	52	184
Net book value				
End of financial year	-	8	73	81

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 18(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

18 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			
2024			
Beginning of financial year	-	73	73
Depreciation	-	(63)	(63)
End of financial year	<u>-</u>	<u>10</u>	<u>10</u>
2023			
Beginning of financial year	45	13	58
Additions	-	125	125
Depreciation	(9)	(65)	(74)
Lease modification	(31)	-	(31)
Currency translation differences	(5)	-	(5)
End of financial year	<u>-</u>	<u>73</u>	<u>73</u>
		Vehicle S\$'000	Total S\$'000
Company			
2024			
Beginning of financial year		73	73
Depreciation		(63)	(63)
End of financial year		<u>10</u>	<u>10</u>
2023			
Beginning of financial year		13	13
Additions		125	125
Depreciation		(65)	(65)
End of financial year		<u>73</u>	<u>73</u>

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

18 Leases (continued)

The Group and the Company as a lessee (continued)

(b) Interest expense

	Group	
	2024 S\$'000	2023 S\$'000
Interest expense on lease liabilities:		
- Continuing operations (Note 7)	4	7
- Discontinued operations	-	2
	<u>4</u>	<u>9</u>

(c) Lease expense not capitalised in lease liabilities

	Group	
	2024 S\$'000	2023 S\$'000
Lease expense – short-term and low-value leases (Note 4)	<u>348</u>	<u>327</u>

(d) Total cash outflow for all the leases of the Group in 2024 was S\$416,000 (2023: S\$405,000).

The Group as a lessor

The Group has sub-leased its fish ponds and lands on project land 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 6 to the financial statements.

19 Other payables

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Other payables				
- Non-related parties	3,187	5,718	314	898
- Subsidiary corporation	-	-	4,195	3,016
- Key management personnel	-	200	-	-
- Director	4,200	2,820	-	-
- Value-added taxes payable	2	-	-	-
Accrued operating expenses	788	802	684	583
Contract liabilities	92	461	-	-
	<u>8,269</u>	<u>10,001</u>	<u>5,193</u>	<u>4,497</u>

Included in other payables is amount due to a key management personnel, a director and a subsidiary corporation which are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

19 Other payables (continued)

Contract liabilities relates to rental income received in advance from sublease of the project land. The transaction price allocated to the unsatisfied performance obligation as at reporting date will be recognised as rental income in the next reporting periods based on a straight-line basis over the lease terms stipulated in the contracts as follows:

	2024 S\$'000	2025 S\$'000	Total S\$'000
Partial and fully unsatisfied performance obligation as at:			
30 June 2024	-	92	92
30 June 2023	433	28	461

20 Borrowings

	Group and Company	
	2024 S\$'000	2023 S\$'000
<i>Current</i>		
Term loan	1,303	2,562
Lease liabilities	11	64
	<u>1,314</u>	<u>2,626</u>
<i>Non-current</i>		
Lease liabilities	-	11
	<u>-</u>	<u>11</u>
Total borrowings	<u>1,314</u>	<u>2,637</u>

- (a) Term loan from a licensed bank in Singapore

The Company 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' 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 drawdown 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.

The Company's term loan agreement is subjected to certain terms and conditions, where the Company is required to maintain a specific balance in an operating account with the licensed bank in Singapore. Due to the Disposal of the Hospitality Segment and the Company's intention to fully pre-pay the term loan from the proceeds of the disposal, management has proactively worked with the banker to create a contingency resolution with regard to this matter. Accordingly, the term loan had been classified as current liabilities as at 30 June 2023 and no changes are made as at 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

20 Borrowings (continued)

(b) Fair value of non-current borrowings

	Group and Company	
	2024	2023
	S\$'000	S\$'000
Bank borrowings		
- Singapore	-	12

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

	Group and Company	
	2024	2023
	%	%
Bank borrowings		
- Singapore	-	4.88

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

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

	← Non-cash changes →							30 June 2024
	1 July 2023	Principals and interest payments	Lease modification	Additions	Interest expense	Disposal of Hospitality Segment	Foreign exchange movement	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Borrowings	2,562	(1,314)	-	-	55	-	-	1,303
Lease liabilities	75	(68)	-	-	4	-	-	11

	← Non-cash changes →							30 June 2023
	1 July 2022	Principals and interest payments	Lease modification	Additions	Interest expense	Disposal of Hospitality Segment	Foreign exchange movement	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Borrowings	9,781	(7,146)	-	-	296	-	(369)	2,562
Lease liabilities	55	(78)	(4)	125	9	(29)	(3)	75

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

21 Provision for reinstatement costs

	Group and Company	
	2024	2023
	S\$'000	S\$'000
Beginning of financial year	50	50
Provision utilised	(50)	-
End of financial year	-	50

Provision for reinstatement costs is recognised when the Group enters into a lease agreement for the premises. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the Group to the premises. The premises shall be reinstated to the condition set up in the lease agreement upon the expiration of the lease agreements. The provision was fully utilised during the financial year ended 30 June 2024.

22 Deferred income tax liabilities

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 statement of financial position as follows:

	Group	
	2024	2023
	S\$'000	S\$'000
Deferred income tax liabilities		
- To be settled after one year	-	-

The movement in deferred income tax account is as follows:

	Group	
	2024	2023
	S\$'000	S\$'000
Beginning of financial year	-	558
Credited to profit and loss (Note 8(a))	-	(7)
Disposal of Hospitality Segment (Note 11)	-	(542)
Currency translation differences	-	(9)
End of financial year	-	-

The deferred income 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

23 Share capital

	Number of ordinary shares '000	Amount S\$'000
Group and Company		
2024		
Beginning of financial year	17,828,644	195,743
Shares issued	52	*
End of financial year	<u>17,828,696</u>	<u>195,743</u>
2023		
Beginning of financial year	17,825,747	195,738
Shares issued	2,897	5
End of financial year	<u>17,828,644</u>	<u>195,743</u>

* Less than S\$1,000

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 51,975 new shares pursuant to the exercise of 2018 Warrants B for a total consideration of S\$104.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

23 Share capital (continued)

Warrants

Movement in the number of unexercised warrants and their exercise prices 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
2024						
2018 Warrants B	6,145,158,199	(6,145,106,224)	(51,975)	-	-	26.07.23
2023						
2018 Warrants A	10,008,570,063	(10,005,682,787)	(2,887,276)	-	-	30.01.23
2018 Warrants B	6,145,168,199	-	(10,000)	6,145,158,199	0.002	26.07.23
	<u>16,153,738,262</u>	<u>(10,005,682,787)</u>	<u>(2,897,276)</u>	<u>6,145,158,199</u>		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

24 Foreign currency translation reserve

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Beginning of financial year	(17,012)	(16,158)	(15,939)	(15,939)
Net currency translation differences of financial statements of foreign subsidiary corporations	(1)	(1,036)	-	-
Effect of dilution in non-controlling interests (Note 16)	-	*	-	-
Acquisition of additional interests in a subsidiary corporation (Note 16)	-	(36)	-	-
Reclassification on disposal of hospitality segment (Note 11)	-	218	-	-
End of financial year	<u>(17,013)</u>	<u>(17,012)</u>	<u>(15,939)</u>	<u>(15,939)</u>

* Less than S\$1,000

The foreign currency translation reserve is non-distributable.

25 Statutory reserve

	Group	
	2024 S\$'000	2023 S\$'000
Beginning of financial year	-	-
Appropriation during the financial year	107	-
End of financial year	<u>107</u>	<u>-</u>

The statutory reserve is non-distributable.

26 Fair value reserve

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

27 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27 Financial risk management (continued)

(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"). 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.

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

	SGD S\$'000	RMB S\$'000	Others S\$'000	Total S\$'000
2024				
Financial assets				
Cash and cash equivalents	14	1,186	5	1,205
Financial assets, at FVOCI	*	-	-	*
Other receivables	-	9,391	-	9,391
Other current assets	106	-	-	106
Intra-group receivables	4,195	22,920	-	27,115
	<u>4,315</u>	<u>33,497</u>	<u>5</u>	<u>37,817</u>
Financial liabilities				
Other payables	(5,198)	(2,977)	-	(8,175)
Borrowings	(1,314)	-	-	(1,314)
Intra-group payables	(4,195)	(22,920)	-	(27,115)
	<u>(10,707)</u>	<u>(25,897)</u>	<u>-</u>	<u>(36,604)</u>
Net financial (liabilities)/ assets	(6,392)	7,600	5	1,213
Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	<u>6,392</u>	<u>(7,600)</u>	<u>-</u>	<u>(1,208)</u>
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27 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 S\$'000	RMB S\$'000	Others S\$'000	Total S\$'000
2023				
Financial assets				
Cash and cash equivalents	21	1,794	4	1,819
Financial assets, at FVOCI	*	-	-	*
Other receivables	-	14,256	-	14,256
Other current assets	91	-	-	91
Intra-group receivables	3,016	24,309	-	27,325
	<u>3,128</u>	<u>40,359</u>	<u>4</u>	<u>43,491</u>
Financial liabilities				
Other payables	(4,501)	(5,039)	-	(9,540)
Borrowings	(2,637)	-	-	(2,637)
Intra-group payables	(3,016)	(24,309)	-	(27,325)
	<u>(10,154)</u>	<u>(29,348)</u>	<u>-</u>	<u>(39,502)</u>
Net financial (liabilities)/ assets	(7,026)	11,011	4	3,989
Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	<u>7,026</u>	<u>(11,011)</u>	<u>-</u>	<u>(3,985)</u>
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>4</u></u>	<u><u>4</u></u>

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27 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 S\$'000	RMB S\$'000	Others \$'000	Total S\$'000
2024				
Financial assets				
Cash and cash equivalents	14	-	5	19
Financial assets, at FVOCI	*	-	-	*
Other receivables	-	22,920	-	22,920
Other current assets	106	-	-	106
	<u>120</u>	<u>22,920</u>	<u>5</u>	<u>23,045</u>
Financial liabilities				
Other payables	(5,193)	-	-	(5,193)
Borrowings	(1,314)	-	-	(1,314)
	<u>(6,507)</u>	<u>-</u>	<u>-</u>	<u>(6,507)</u>
Net financial (liabilities)/ assets	(6,387)	22,920	5	16,538
Net financial liabilities denominated in the Company's functional currency	<u>6,387</u>	<u>-</u>	<u>-</u>	<u>6,387</u>
Currency exposure of financial assets net of those denominated in the Company's functional currency	<u>-</u>	<u>22,920</u>	<u>5</u>	<u>22,925</u>

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27 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 S\$'000	RMB S\$'000	Others \$'000	Total S\$'000
2023				
Financial assets				
Cash and cash equivalents	20	-	4	24
Financial assets, at FVOCI	*	-	-	*
Other receivables	-	24,309	-	24,309
Other current assets	91	-	-	91
	<u>111</u>	<u>24,309</u>	<u>4</u>	<u>24,424</u>
Financial liabilities				
Other payables	(4,497)	-	-	(4,497)
Borrowings	(2,637)	-	-	(2,637)
	<u>(7,134)</u>	<u>-</u>	<u>-</u>	<u>(7,134)</u>
Net financial (liabilities)/ assets	(7,023)	24,309	4	17,290
Net financial liabilities denominated in the Company's functional currency	<u>7,023</u>	<u>-</u>	<u>-</u>	<u>7,023</u>
Currency exposure of financial assets net of those denominated in the Company's functional currency	<u>-</u>	<u>24,309</u>	<u>4</u>	<u>24,313</u>

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the RMB change against SGD by 10% (2023: 10%) with all other variables including tax rate being held constant, the effects arising from the net financial asset position will be as follows:

	2024	2023
	S\$'000	S\$'000
Company		
RMB against SGD		
- Strengthened	1,902	2,018
- Weakened	(1,902)	(2,018)
	<u>1,902</u>	<u>(2,018)</u>

The Group has no significant exposure to currency risk.

(ii) 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 and other receivables and the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is 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 statement of financial position.

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

	Group		Company	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
PRC	<u>9,644</u>	<u>14,508</u>	<u>22,920</u>	<u>24,309</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27 Financial risk management (continued)

(b) Credit risk (continued)

(i) *Other receivables*

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

At each reporting 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.

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 ECL.

As at 30 June 2024 and 2023, 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 no loss allowance is required for other receivables.

(ii) *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 27(b)(i) 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 no loss allowance is required for non-trade receivables from subsidiary corporations.

(iii) *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 12-month ECL 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 reporting 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27 Financial risk management (continued)

(c) Liquidity risk (continued)

Management monitors rolling forecasts of the Group's and of the 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.

The table below analyses non-derivative financial liabilities of the Group and of the Company into relevant maturity groupings based on the remaining period from the reporting 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
Group		
2024		
Borrowings	1,326	-
Other payables	8,175	-
	<u>9,501</u>	<u>-</u>
2023		
Borrowings	2,697	11
Other payables	9,540	-
	<u>12,237</u>	<u>11</u>
Company		
2024		
Borrowings	1,326	-
Other payables	5,193	-
	<u>6,519</u>	<u>-</u>
2023		
Borrowings	2,697	11
Other payables	4,497	-
	<u>7,194</u>	<u>11</u>

(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 not more than 40%.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27 Financial risk management (continued)

(d) Capital risk (continued)

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.

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Net debt	8,378	10,819	6,488	7,110
Total equity	18,826	19,773	29,252	30,038
Total capital	<u>27,204</u>	<u>30,592</u>	<u>35,740</u>	<u>37,148</u>
Gearing ratio	<u>30.8%</u>	<u>35.37%</u>	<u>18.15%</u>	<u>19.14%</u>

The Group and the Company is in compliance with all externally imposed capital requirements for the financial years ended 30 June 2024 and 2023 except for one of the bank's financial covenants which requires the Company to maintain a specific balance in an operating account with the licensed bank in Singapore for the financial years ended 30 June 2024 and 2023. The impact has been disclosed in Note 20(a) to the financial statements.

(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).

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group and Company				
<i>Assets</i>				
Financial assets, at FVOCI				
2024	-	-	*	*
2023	-	-	*	*

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27 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 2024 and 2023.

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 reporting 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

In financial year ended 30 June 2021, 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 in view of the lack of marketability and data to determine the realisable value.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 14 to the financial statements, except for the following:

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Financial assets at amortised cost	10,703	16,166	23,045	24,424
Financial liabilities at amortised cost	9,489	12,177	6,507	7,134

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28 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:

Key management personnel compensation

	Group	
	2024	2023
	S\$'000	S\$'000
Wages and salaries	767	762
Employer's contribution to defined contribution plans	35	33
	802	795
Comprises amounts paid to:		
Directors of the Company		
- Wages and salaries	390	390
- Employer's contribution to defined contribution plans	8	8
	398	398
Other key management personnel		
- Wages and salaries	377	372
- Employer's contribution to defined contribution plans	27	25
	404	397
	802	795

29 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 2 reportable operating segments: investment and real estate development. 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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

29 Segment information (continued)

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

Group	Singapore	PRC	Total S\$'000
	Investment S\$'000	Real estate development S\$'000	
2024			
Revenue from external parties	-	-	-
Gross profit	-	-	-
Other gains/(losses), net			
- Interest income	-	303	303
- Others	(20)	1,857	1,837
Administrative expenses	(2,027)	(973)	(3,000)
Finance expenses	(59)	-	(59)
(Loss)/Profit before income tax	(2,106)	1,187	(919)
Income tax expense	-	(27)	(27)
Net (loss)/profit	(2,106)	1,160	(946)
Depreciation	66	6	72
Segment assets	151	28,258	28,409
Segment assets include:			
Additions to:			
- Property, plant and equipment	-	662	662
Segment liabilities	6,511	3,072	9,583

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

29 Segment information (continued)

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

	Singapore	PRC	Total for continuing operations S\$'000
	Investment S\$'000	Real estate development S\$'000	
Group			
2023			
Revenue from external parties	-	-	-
Gross profit	-	-	-
Other gains/(losses), net			
- Interest income	-	162	162
- Others	(2,710)	1,437	(1,273)
Administrative expenses	(2,584)	(2,225)	(4,809)
Finance expenses	(90)	(314)	(404)
Loss before income tax	(5,384)	(940)	(6,324)
Income tax credit	-	-	-
Net loss	<u>(5,384)</u>	<u>(940)</u>	<u>(6,324)</u>
Depreciation	<u>68</u>	<u>26</u>	<u>94</u>
Segment assets	<u>225</u>	<u>32,236</u>	<u>32,461</u>
Segment assets include:			
Additions to:			
- Property, plant and equipment	<u>125</u>	<u>-</u>	<u>125</u>
Segment liabilities	<u>7,188</u>	<u>5,500</u>	<u>12,688</u>
		Group	
		2024	2023
		S\$'000	S\$'000
<u>Non-current assets</u>			
Singapore		14	81
PRC		24,732	23,519
		<u>24,746</u>	<u>23,600</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

30 Commitments

The Company has capital commitment in relation to capital injection into investments in PRC as at the reporting date:

	Company	
	2024	2023
	S\$'000	S\$'000
Subsidiary corporations	<u>15,971</u>	<u>15,971</u>

31 Event occurring after reporting date

On 15 September 2024, the Company entered into a joint venture and shareholders' agreement with a non-related party, in relation to the proposed mixed development on a plot of state land located at Oecusse Ambeno, Timor-Leste.

The above event is not expected to have a material effect to the Group for the financial year ended 30 June 2024.

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 2024 and which the Group has not early adopted.

Effective for annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants
- Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements

Effective for annual periods beginning on or after 1 January 2025

- Amendments to SFRS(I) 1-21: Lack of Exchangeability

Effective date to be determined

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

33 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Asia-Pacific Strategic Investments Limited on 7 October 2024.

STATISTICS OF SHAREHOLDINGS

As at 24 September 2024

SHAREHOLDERS' INFORMATION

Share Capital

Issued and fully paid-up capital	:	S\$199,354,971
Number of shares issued	:	17,828,696,279
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	2,649	60.69	34,019	0.00
100 - 1,000	385	8.82	138,668	0.00
1,001 - 10,000	146	3.34	782,342	0.00
10,001 - 1,000,000	750	17.18	274,163,063	1.54
1,000,001 and above	435	9.97	17,553,578,187	98.46
TOTAL	4,365	100.00	17,828,696,279	100.00

Twenty Largest Shareholders		No. of Shares	%
1	Oei Hong Leong	6,374,454,821	35.75
2	DBS Nominees Pte Ltd	1,369,461,866	7.68
3	Toh Soon Huat	1,256,715,400	7.05
4	Hung Ying-Zhen @ Amy Ying-Fen Hung	954,300,000	5.35
5	Citibank Nominees Singapore Pte Ltd	764,292,480	4.29
6	UOB Kay Hian Pte Ltd	490,840,886	2.75
7	Phillip Securities Pte Ltd	487,920,894	2.74
8	Li Yujiao	393,683,333	2.21
9	Maybank Securities Pte. Ltd.	318,536,585	1.79
10	Tang Yingjie	249,384,700	1.40
11	Goh Yew Lay	200,198,500	1.12
12	Teo Choon Leng Jeffrey	166,000,000	0.93
13	Tang Chong Sim	131,916,100	0.74
14	Ng Seng Hong	120,083,600	0.67
15	OCBC Nominees Singapore Pte Ltd	112,254,298	0.63
16	United Overseas Bank Nominees Pte Ltd	108,956,623	0.61
17	Wong Say Yin	107,000,000	0.60
18	Ge Jianming	99,370,300	0.56
19	Ken Tan Khim Sing	93,900,000	0.53
20	OCBC Securities Private Ltd	87,180,954	0.49
TOTAL		13,886,451,340	77.89

STATISTICS OF SHAREHOLDINGS

As at 24 September 2024

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	35.75	-	-
2	Toh Soon Huat	1,421,805,700 ⁽¹⁾	7.98	-	-
3	Choo Yeow Ming	824,969,332 ⁽²⁾	4.63	352,479,500 ⁽³⁾	1.98
4	Hung Ying-Zhen @ Amy Ying-Fen Hung	954,300,000	5.35	-	-

⁽¹⁾ The number of shares and percentage of shareholdings of Toh Soon Huat as recorded in the Register of Substantial Shareholders are different from the Twenty Largest Shareholders table. The Company's records in the Register of Substantial Shareholders is based on the notification of substantial shareholders in respect of interest in securities submitted by Mr Toh. Mr Toh did not and has no obligation to notify the Company of any change in his shareholdings of less than 1%.

⁽²⁾ Choo Yeow Ming's direct interest of 762,059,332 shares are held through nominees.

⁽³⁾ 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 Hands of Public

Based on information available to the Company, as at 24 September 2024, the percentage of shareholdings of the Company held in the hands of the public is approximately 44% and therefore Rule 723 of the Catalist Rules is complied with.

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 at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 on Wednesday, 30 October 2024 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 2024 together with the Independent Auditor’s Report thereon. **Resolution 1**
2. To re-elect Dato’ Dr Choo Yeow Ming who is retiring pursuant to Article 91 of the Company’s Constitution.
[See Explanatory Note 1] **Resolution 2**
3. To re-elect Mr Lien Kait Long who is retiring pursuant to Article 91 of the Company’s Constitution.
[See Explanatory Note 2] **Resolution 3**
4. To note the resignation of Mr Chew Soo Lin as a Director of the Company upon the conclusion of the AGM.
[See Explanatory Note 3]
5. To approve the Directors’ Fees of S\$240,000 for the financial year ended 30 June 2024 (FY2023: S\$240,000). **Resolution 4**
6. To re-appoint CLA Global TS Public Accounting Corporation as the Auditor of the Company and to authorise the Directors to fix its remuneration. **Resolution 5**
7. 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:

8. **Authority to allot and issue shares**

That pursuant to Section 161 of the Companies Act 1967, and Rule 806 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), 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 6

- (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);

NOTICE OF ANNUAL GENERAL MEETING

- (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 convertible securities; (ii) new shares arising from exercising share options or vesting of share awards 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, 15 October 2024

Explanatory Notes:

1. Ordinary Resolution 2 – Dato' Dr Choo Yeow Ming will, upon re-election, continue to serve as the Executive Chairman and Chief Executive Officer and a member of the Nominating Committee.
2. Ordinary Resolution 3 – Mr Lien Kait Long ("**Mr Lien**") 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 is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Lien can be found in the Annual Report 2024. There are no relationships (including immediate family relationships) between Mr Lien and any of the Directors, the Company or its substantial shareholders.

NOTICE OF ANNUAL GENERAL MEETING

3. Mr Chew Soo Lin (“**Mr Chew**”) who has been an Independent Director of the Company for more than 9 years since his appointment, has decided to step down and resign as a Director of the Company at the conclusion of the AGM in line with the listing rule requirements announced on 11 January 2023 by the Singapore Exchange Regulation limiting the tenure of independent directors to 9 years. Mr Chew will concurrently cease to be the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of the Company at the conclusion of the AGM.

Further information on the abovementioned Directors can be found under the section title “Board of Directors”, “Corporate Governance Report” and “Corporate Governance – Appendix A” of the Annual Report 2024.

4. Ordinary Resolution 6 - 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 6 (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 convertible securities; (ii) new shares arising from exercising share options or vesting of share awards 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. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies, 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 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; 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 28 October 2024 (the “**Proxy Deadline**”), being not less than Forty-Eight (48) hours before the time appointed for holding the Meeting (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

Shareholders are strongly encouraged to submit Proxy Forms electronically via email.

3. A member (who is not a Relevant Intermediary), who is entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
4. A member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 is entitled to appoint more than two proxies to attend, speak and vote at the Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in the proxy form to the Company.

NOTICE OF ANNUAL GENERAL MEETING

5. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) (as may be applicable) may attend and cast his/her vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to appoint the Chairman of the AGM as their proxy should approach their respective CPF Agent Banks or SRS Operators, through which they hold such shares, to submit their votes at least seven (7) working days before the AGM that is by 3:00 p.m. on 21 October 2024, in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit the Proxy Forms to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.
6. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The instrument appointing the proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.

IMPORTANT INFORMATION

7. Printed copies of this Notice of AGM (the “**Notice**”), Proxy Form and the Annual Report (the “**documents**”) have been dispatched to the shareholders. The documents are also available for downloading from the SGXNet and the Company’s website at the URL: <http://asiastrategic.com.sg>
8. The members of the Company may participate in the AGM by:
 - (a) attending the AGM in person;
 - (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or
 - (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the Meeting, if they are unwell.

9. Members of the Company may submit questions related to the resolution(s) to be tabled for approval at the AGM in advance of the AGM by 3:00 pm on 22 October 2024 in the following manner:
 - (a) email to contact@asiastrategic.com.sg
or
 - (b) post to the office of the Company’s share registrar B.A.C.S. Private Limited, at 77 Robinson Road #06-03 Robinson 77 Singapore 068896.

Shareholders who submit questions in advance of the AGM should provide their full name, address, contact number, email address and the manner in which they hold Shares (if you hold Shares directly, please provide your account number with The Central Depository (Pte) Limited; otherwise, please state if you hold your Shares through the Central Provident Fund Investment Scheme or the Supplementary Retirement Scheme or other Relevant Intermediary), for our verification purposes.

NOTICE OF ANNUAL GENERAL MEETING

The Company will endeavor to address all substantial and relevant questions received from members and publish its response on the SGXNet and at the Company's website by 25 October 2024. Where substantially similar questions are received, the Company may consolidate such questions and consequently not all questions may be individually addressed. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions received after 3.00 p.m. on 22 October 2024 which have not already been addressed prior to the AGM, at the AGM itself. For questions addressed during the AGM, the responses to such questions will be included in the minutes of the AGM and will be published on the Company's corporate website and on SGXNet within one (1) month after the AGM.

Personal data privacy:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 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), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

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

IMPORTANT:

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

PROXY FORM ANNUAL GENERAL MEETING

*I/We _____ (Name), _____ (*NRIC/Passport/Company Registration No.)
of _____ (Address)
being a *member/members of **ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED** (the "**Company**"), hereby appoint(s):

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

--	--	--	--	--

or failing him/her, the Chairman of the Meeting, as *my/our proxy(ies) to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company to be held at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 on Wednesday, 30 October 2024 at 3:00 p.m. and at any adjournment thereof.

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

*I/We direct *my/our proxy(ies) to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy(ies) will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Ordinary Resolutions	For	Against	Abstain
1.	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2024 together with the Independent Auditor's Report thereon.			
2.	Re-election of Dato' Dr Choo Yeow Ming as a Director of the Company.			
3.	Re-election of Mr Lien Kait Long as a Director of the Company.			
4.	Approval of the payment of Directors' Fees of S\$240,000 for the financial year ended 30 June 2024.			
5.	Re-appointment of CLA Global TS Public Accounting Corporation as Auditor of the Company and to authorise the Directors to fix its remuneration			
6.	Authority to allot and issue shares in the capital of the Company.			

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", "Against" or "Abstain" for each Resolution in the boxes provided as appropriate.

Date this _____ day of _____ 2024.

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. A proxy need not be a member of the Company.
2. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
3. A member (who is not a Relevant Intermediary), who is entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
4. A member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 (the "**Companies Act**") is entitled to appoint more than two proxies to attend, speak and vote at the Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such an event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

"**Relevant Intermediary**" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of Shareholders of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to appoint the Chairman of the AGM as their proxy should approach their respective CPF Agent Banks or SRS Operators, through which they hold such shares, to submit their votes at least seven (7) working days before the AGM that is by 3:00 p.m. on 21 October 2024, in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit the Proxy Forms to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.
8. This instrument appointing a proxy or proxies 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 77 Robinson Road #06-03 Robinson 77 Singapore 068896; 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 28 October 2024 (the "**Proxy Deadline**") (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.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
10. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Meeting 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 15 October 2024.

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

* *Dr Lam has resigned as a Director of the Company with effect from 2 October 2024*

COMPANY SECRETARY

Yap Wai Ming, LLB. (Hons)

REGISTERED OFFICE

77 Robinson Road

#06-03 Robinson 77

Singapore 068896

Tel: (65) 6538 0779

Fax: (65) 6438 7926

SHARE REGISTRAR

B.A.C.S. Private Limited

77 Robinson Road

#06-03 Robinson 77

Singapore 068896

AUDITOR

CLA Global TS Public Accounting Corporation

80 Robinson Road

#25-00

Singapore 068898

Director-in-charge: Teh Yeu Horng

Appointed since financial year ended 30 June 2022

INFORMATION ON SIGNIFICANT SUBSIDIARIES

- **Huzhou Dixi Gengdu Ecological Agriculture Development Co., Ltd**
- **Zhongfang Lianhe Grand Canal Culture Tourism Group Co., Ltd**

Industry Area, Hefu Town

Huzhou City, Zhejiang Province

(Yang Dong Mining Area)

313017 People's Republic of China

