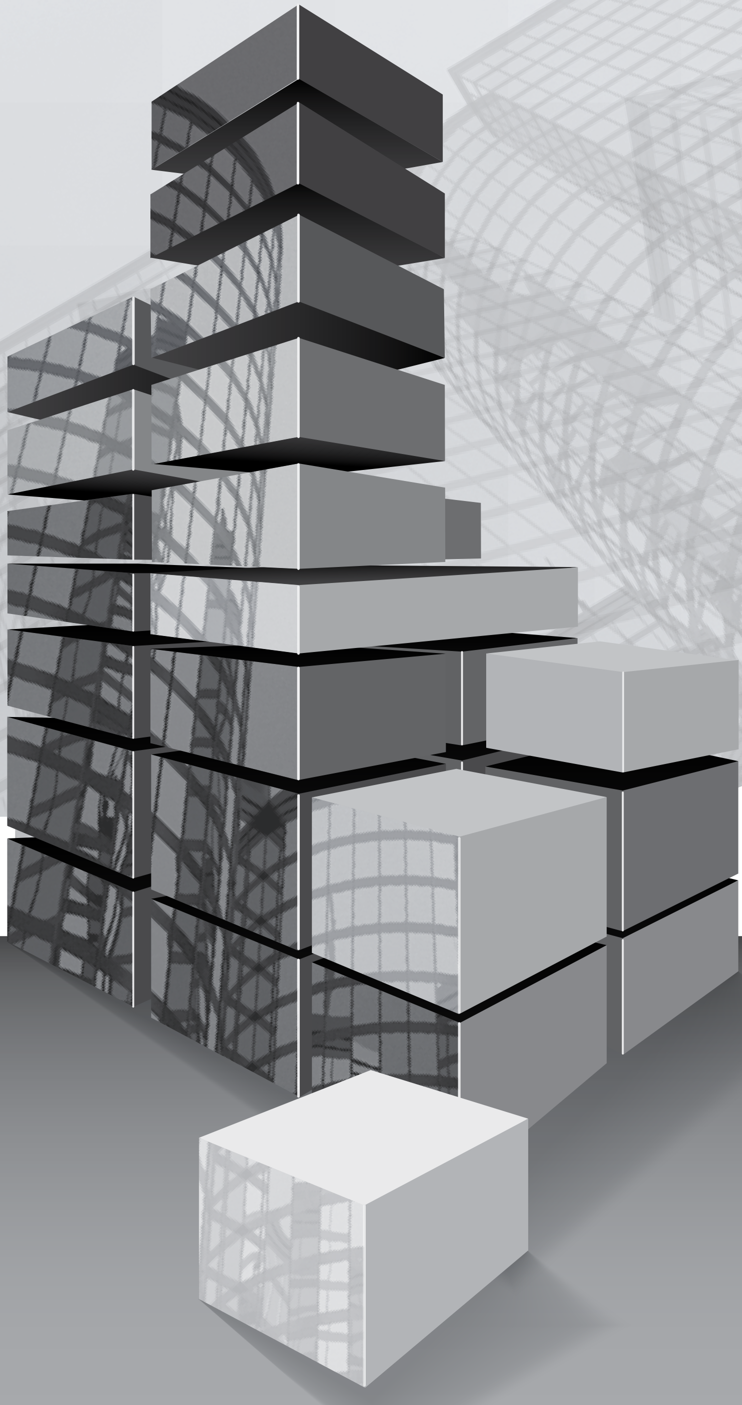
ASIA-PACIFIC STRATEGIC
INVESTMENTS LIMITED

GAINING GROUND

ANNUAL REPORT **2016**



CORPORATE PROFILE

Asia-Pacific Strategic Investments Limited ("APSIL" or the "Group") has moved quickly ahead with its strategy to become a regional real estate agency group.

Today, it has a Singapore real estate agency business, Global Alliance Property Pte. Ltd., with a pool of about 800 real estate agents that operates under the well-established Century 21 franchise. APSIL also owns a Hong Kong-based brokerage sub-franchisor, Century 21 Hong Kong Limited, which grants the renowned franchise to licensed real estate brokers in Hong Kong and Macau, and provides access to Century 21's vast networks and systems.

APSIL has plans to develop an online property transaction platform as well, in a joint venture with renowned pioneer PRC real estate developer China Real Estate Development Union Group Limited ("CREU") and Oei Hong Leong Foundation. This portal is expected to serve overseas Chinese investors, tapping CREU's extensive China real estate database.

The Group is currently in the process of acquiring CREU, which has three mega property projects in the planning/construction stage in Shandong, Liaoning and Zhejiang provinces. The acquisition is still subject to approval by the PRC authorities and APSIL shareholders.

CONTENTS

The contact person for the Sponsor is Mr Ng Joo Khin.
Telephone number: 6389 3000
Email: jookhin.ng@morganlewis.com

CORPORATE GOVERNANCE REPORT

Asia-Pacific Strategic Investments Limited (the "Company") is 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 2016, with specific reference to the relevant provisions of the revised Code of Corporate Governance 2012 (the "Code").

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

BOARD MATTERS

The Board's Conduct of Affairs

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

The Board comprises:

Dato' Dr Choo Yeow Ming (Chairman and Chief Executive Officer)
Lee Keng Mun (Executive Director and Chief Financial Officer)
Hano Maeloa (Non-Executive Director)
Dr Lam Lee G. (Lead Independent Director)
Chew Soo Lin (Independent Director)
Yap Siean Sin (Independent Director)

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

1. providing entrepreneurial leadership, setting strategic aims, 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;

3. reviewing Management performance;

4. identifying the key stakeholder groups and recognizing 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. approving quarterly, half-year and full-year results announcements.

CORPORATE GOVERNANCE REPORT

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. All Directors objectively take part in decisions affecting the interests of the Company. Clear directions have been imposed on the Management that such matters must be approved by the Board.

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 four 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 2016 and the attendance of the Directors are set out in the table below:

Directors' Attendance at Board and Board Committee Meetings

	Board Meeting		Audit Committee Meeting		Nominating Committee Meeting		Remuneration Committee Meeting	
Name of Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Dato' Dr Choo Yeow Ming	4	4	-	-	1	1	-	-
Lee Keng Mun	4	4	-	-	-	-	-	-
Hano Maeloa	4	3	-	-	-	-	-	-
Dr Lam Lee G.	4	3	4	3	1	1	1	1
Chew Soo Lin	4	4	4	4	1	1	1	1
Yap Siean Sin	4	4	4	4	-	-	1	1
Ir. Heng Aik Koon *	4	0	-	-	-	-	-	-
Faizal Bin Ahmad Stalin *	4	0	-	-	-	-	-	-

* Resigned as Directors on 14 March 2016

When new Directors are appointed, the Company provides a formal letter to the new Directors setting out their duties and obligations. In addition, the new Directors 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.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

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

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

The 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 and business management. None of the Independent Directors have any relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere, or be 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 Directors.

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

Even though Dr Lam Lee G., Mr Chew Soo Lin and Mr Yap Siean Sin 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 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., Mr Chew Soo Lin and Mr Yap Siean Sin'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 specialists 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.

Chairman and Chief Executive Officer

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

The Chairman of the Company, Dato' Dr Choo Yeow Ming, is also the Group Chief Executive Officer ("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 adequate time is available for discussion of all agenda items, in particular strategic issues;

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

CORPORATE GOVERNANCE REPORT

4. ensuring that the Directors receive accurate, timely and clear 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 Executive Director, Mr Lee Keng Mun in the management of day-to-day operations. Mr Lee is not related to Dato' Choo. 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 liasion 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 CFO has failed to resolve the issue or for which such contact is inappropriate.

The Lead Independent Director meets the other Independent Directors periodically without the presence of other Directors.

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

Board Membership

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

The members of the Nominating Committee ("NC") are as follows:

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

The majority of the NC members, including the Chairman of the NC, are independent. The NC meets 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 as well as 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;

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

According to the provisions of the Constitution of the Company, all Directors are required to submit themselves for re-nomination and re-election at regular intervals and at least once every three years. The NC has recommended that the following Directors retire pursuant to Article 91 of the Company's Constitution, being eligible and having consented, be nominated for re-appointment at the forthcoming AGM:

Name of Director	Appointment	Date Appointed
Chew Soo Lin	Independent Director	5 June 2007
Yap Siean Sin	Independent Director	5 June 2007

In recommending the above Directors for re-appointment, the NC has given regard to the results of the Board's assessment in respect of their competencies in fulfilling their responsibilities as Directors to the Board. The NC has also reviewed the independence of Mr Chew Soo Lin and Mr Yap Siean Sin. In assessing their independence, the NC having considered the guidelines set out in the Code, is satisfied that Mr Chew Soo Lin and Mr Yap Siean Sin are independent and there are no relationships identified in the Code which would deem Mr Chew Soo Lin and Mr Yap Siean Sin as not independent. Mr Chew Soo Lin and Mr Yap Siean Sin have also declared that they are independent.

The directors named above do not have any relationship (including immediate family relationship) with other directors, the Company or its 10% shareholders.

All directors are required to declare their board representations as at the date of this annual report. The date of initial appointment and last re-election of each director to the Board together with his directorships 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)
Dato' Dr Choo Yeow Ming	6 July 2006	30 October 2015	N.A.	N.A.
Lee Keng Mun	14 November 2012	30 October 2015	Elektromotive Group Limited	N.A.
Hano Maeloa	12 February 2008	31 October 2014	Top Global Limited China Medical (International) Group Limited	N.A.

CORPORATE GOVERNANCE REPORT

Dr Lam Lee G.	5 June 2007	30 October 2015	China LNG Group Limited Coalbank Limited CSI Properties Limited Glorious Sun Enterprise Limited Mei Ah Entertainment Group Limited Rowsley Ltd Sino Resources Group Limited Sunwah Kingsway Capital Holdings Limited Sunwah International Limited Top Global Limited Vongroup Limited Vietnam Equity Holding Vietnam Property Holding	China Communication Telecom Services Company Limited Far East Holdings International Limited Heng Fai Enterprises Limited Hutchison Harbour Ring Limited Imagi International Holdings Limited Mingyuan Medicare Development Company Limited Next-Generation Satellite Communicationss Limited Ruifeng Petroleum Chemical Holdings Ltd UDL Holdings Limited
Chew Soo Lin	5 June 2007	24 October 2013	Khong Guan Flour Milling Limited Duty Free International Limited MTQ Corporation Limited	N.A.
Yap Siean Sin	5 June 2007	24 October 2013	N.A.	N.A.

CORPORATE GOVERNANCE REPORT

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 except one each for Board and Audit Committee meetings, and has provided constructive inputs in the meetings. As such, the NC is satisfied that sufficient time and attention was given by Dr Lam to the affairs of the Company.

There are no Alternate Directors appointed by the Company.

Profiles of the Directors are found in section on "Board of Directors" of this Annual Report.

Board Performance

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

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

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

The Board has not engaged any external facilitator in conducting the assessment of Board performance. Where relevant, the NC will consider such engagement.

Access to Information

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

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 AC meetings to answer queries and provide detailed insights into their areas of operations. A quarterly report of the Group's activities is also provided to the Directors.

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

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

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

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

Chew Soo Lin (Chairman)
Dr Lam Lee G. (Member)
Yap Siean Sin (Member)

The RC is made up entirely of independent non-executive Directors so as to minimize the risk of any potential conflict. The RC meets 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 Directors (Executive and Independent) and key management personnel;

2. determining specific remuneration packages for each Directors (Executive and Independent) and key management personnel;

3. reviewing the Company's obligations arising in the event of termination of the Executive Directors 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.

Level and Mix of Remuneration

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

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 Directors do not receive Directors' fees. The remuneration policy for Executive Directors 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 admininistering such scheme is not cost-effective currently. During the financial year, no variable component of the remuneration was paid to the Executive Directors and key management personnel as the corporate and individual performance targets were not achieved.

The Company has entered into service agreements with the Executive Directors, Dato' Dr Choo Yeow Ming and Mr Lee Keng Mun. The Service Agreements can be terminated by either party giving not less than three months' notice. The Company 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

CORPORATE GOVERNANCE REPORT

to Dato' Dr Choo Yeow Ming and Mr Lee Keng Mun in respect of their respective termination in accordance with the terms of the respective Service Agreement.

The Non-Executive and Independent Directors do not have any service contracts. They are paid a basic fee and additional fees for serving on any of the Committees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and the responsibilities of the Directors are taken into account. The Board recommends payment of such fees on a quarterly basis to be approved by shareholders at the AGM of the Company.

The Company does not use contractual provisions to allow the Company to reclaim components of remuneration from Executive Directors and key management personnel in exceptional circumstances such as misstatement of financial results, or misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself of remedies against the Executive Directors in the event of such breaches of fiduciary duties.

Disclosure on Remuneration

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

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. As such, the Board has deviated from complying with the relevant guideline of the Code. 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 2016 is as follows:

	Remuneration Band	Fixed Salary	Annual Wage Supplement	Director Fees	Allowance	Total
Name of Director	**%**	**%**	**%**	**%**	**%**	**%**
Dato' Dr Choo Yeow Ming	250,000 – 499,999	92	8	-	-	100
Lee Keng Mun	< 250,000	92	8	-	-	100
Hano Maeloa	< 250,000	-	-	100	-	100
Dr Lam Lee G	< 250,000	-	-	100	-	100
Chew Soo Lin	< 250,000	-	-	100	-	100
Yap Siean Sin	< 250,000	-	-	100	-	100

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 2016 is as follows:

	Remuneration Band	Fixed Salary	Commision	Allowance	Total
Name of Key Management	**%**	**%**	**%**	**%**	**%**
Ng Kai Man	< 250,000	100	-	-	100
Chong Chai Shyong	< 250,000	49	51	-	100

No employee who is an immediate family member of any Directors whose remuneration exceeds S$50,000 for the financial year ended 30 June 2016.

No termination or retirement benefits or post-employment benefits were granted to the Directors, the CEO or key management personnel.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Accountability

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

The Board understands its accountability to the shareholders regarding the Group's performance. The objective of presenting annual financial statements and quarterly announcements to shareholders is to provide shareholders with a detailed and balanced analysis and explanation of the Group's financial position and prospects.

The Board is committed to ensure compliance with legislative and regulatory requirements including but not limited to requirements under Catalist Rules.

Management understands its role to provide all members of the Board with balanced and understandable management accounts on a monthly basis of the Group's performance, position and prospects.

Risk Management and Internal Controls

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

The Board is 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 ("AC"), on behalf of the Board, reviews 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 CFO:

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

2. regarding the effectiveness of the company's risk management and internal control systems.

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 auditors or the internal auditor for the attention of the AC for FY2016.

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 AC and the Board are of the opinion that the Group's internal controls are adequate to address financial, operational, compliance and information technology risks, and that risk management systems are effective and adequate in the Group's current business environment.

CORPORATE GOVERNANCE REPORT

Audit Committee

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

The AC is comprised entirely of Independent Non-Executive Directors, namely:

Yap Siean Sin (Chairman)
Dr Lam Lee G. (Member)
Chew Soo Lin (Member)

The Board considers that the members of the AC are appropriately qualified to discharge their responsibilities. All members of the AC have many years of experience in senior management positions and have accounting or related financial management expertise and experience.

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

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

2. reviewing the financial statements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going-concern statement and compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

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

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

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

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

7. reviewing and approving interested person transactions, if any, that fall within the scope of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (Section B: Rules of Catalist) (the "Catalist Rules");

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

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

14. 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;

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

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

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

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

The Company does not have any whistle-blowing policy. However, staff of the Company was informed about various avenues, including the chairman of the AC, to report on possible improprieties in matters of financial reporting or other matters.

During the financial year ended 30 June 2016, 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.

The AC assesses the independence of the external auditor annually. The aggregate amount of fees paid to the external auditor for the financial year ended 30 June 2016 was:

	S$,000
Audit fees	61
Non-audit fees	54
Total fees	**115**

The non-audit fees were in respect of the engagement of the external auditor as the reporting accountant for the proposed acquisition of CREU **中房联合置业集团有限公司** via a reverse takeover with total fees amounting to S$200,000, which S$54,000 was paid in the financial year ended 30 June 2016. The AC has reviewed the non-audit services rendered by the external auditors for the financial year ended 30 June 2016 as well as the fees paid, and is satisfied that the independence of the external auditor has not been impaired.

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 Company's auditing obligations.

The Company has appointed a suitable audit firm for its subsidiaries that are incorporated in Hong Kong. In this regard, the Company has complied with Rules 712 and 715 read with 716 of the Catalist Rules.

The Company is pleased to recommend to the Board that Nexia TS Public Accounting Corporation be nominated for re-appointment as external auditor of the Company at the forthcoming AGM. Audit fees of the Group paid to Nexia TS Public Accounting Corporation for FY2016 amounted to S$61,000.

CORPORATE GOVERNANCE REPORT

Internal Audit

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

The Company has established an internal audit function that is independent of the activities it audits. 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 2016, 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 adequately outsourced and resourced and has appropriate standing within the Group. The AC is also satisfied that the internal auditor meets the standards set by internationally recognized professional bodies, including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

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

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

Registered shareholders including corporations, who are unable to attend the AGM are provided with an option to appoint up to two proxies. 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.

Communication with Shareholders

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

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

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

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

CORPORATE GOVERNANCE REPORT

2. quarterly 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 www.asiastrategic.com.sg from which shareholders can access information on the Group. The website provides, inter alia, all publicly disclosed financial information, corporate announcements, annual reports, and profiles of the Group.

The Company will hold an AGM in October 2016. 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.

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 FY2016 because of losses incurred and the financial position of the Company.

Conduct of Shareholder Meetings

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

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.

The Company's Annual Report, together with the notice of the AGM, is despatched to shareholders at least 14 days before the AGM. Separate resolutions on each substantially separate issue are proposed at general meetings for approval. "Bundling" of resolutions is kept to a minimum and is done only where the resolutions are interdependent so as to form one significant proposal and only where there are reasons and material implications involved.

The Constitution of the Company allow a member of the Company to appoint one or two proxies to attend and vote instead of the member. 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.

The Company records minutes of all AGMs. These are available to shareholders upon request.

At the Company's AGM, shareholders are given the opportunity to voice their views and ask Directors or Management questions regarding the Company. The chairmen of the AC, RC and NC and the external auditor will normally be present at the AGM and other general meetings of shareholders to assist the Board in addressing shareholders' questions.

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.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

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

DEALINGS IN SECURITIES

In compliance with the best practices introduced by the SGX-ST, the Company has devised its own internal compliance code to provide guidance to its officers. Directors and employees of the Company are advised not to deal in the Company's shares on short term considerations or when they are in the possession of unpublished price-sensitive information. The Company prohibits dealings in its shares by its officers and employees during the period commencing one month before the announcement of the Company's full year results or two weeks before the Company's quarterly and half-year results and ending on the date of the announcement of the results.

MATERIAL CONTRACTS

There were no material contracts (including loans) of the Company or its subsidiaries involving the interests of the CEO, directors or controlling shareholders that subsisted at the end of the financial year or had been entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

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

The AC met quarterly to review interested person transactions, if any.

There were no interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules.

Excluding transactions of less than S$100,000, there were no interested person transactions during the financial year under review.

RISK MANAGEMENT AND PROCESSES

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

SPONSORSHIP

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is Stamford Corporate Services Pte Ltd ("SCSPL").

For the financial year ended 30 June 2016, the Sponsor did not provide any other non-sponsor services to the Company and no non-sponsor fees were paid during the financial year. However, Morgan Lewis Stamford which is an affiliate of SCSPL, was paid an amount of S$61,000 for legal services provided to the Company for the financial year ended 30 June 2016.

UTILISATION OF PROCEEDS

A. Rights cum warrants issue completed on 7 May 2014 ("2014 Rights-cum-Warrants Issue")

On 7 May 2014, the Company issued 715,210,185 new ordinary shares at S$0.02 per share pursuant to the 2014 Rights-cum-Warrant Issue. The status in terms of utilisation of proceeds was as follows:

Use of Proceeds	Actual utilisation S$'000	As a percentage of gross proceeds %	Proposed utilisation ratio %
Defraying costs and expenses arising from the proposed acquisition of Coeur Gold Armenia Ltd	1,627	12.3	30-70*
Funding growth and expansion	4,200	29.9	10-30*
General working capital	3,799	27.1	10-30*
Total	**9,626**	**69.3**	

Note:
* The proposed utilisation ratio as a percentage of net proceeds, after deducting all share issue expenses.

With respect to the S$3,799,000 used for general working capital, the breakdown was as follows:

General working capital – Purpose of utilisation	Percentage Utilised (%)
Payment of employee compensation and directors' fees	45.5
Payment of office overheads	24.5
Payment of professional fees and other compliance costs	19.2
Payment to suppliers	10.8
Total	**100.0**

The use of proceeds is in accordance with the stated use.

B. Proceeds from exercise of 2014 Warrants

As at 30 June 2016, a total of 397,965,998 of the 2014 Warrants had been exercised and S$7,959,320 had been received by the Group. The proceeds arising from the exercise of 2014 Warrants may, at the discretion of the Directors, be applied towards expanding the business of the Group, financing new business ventures through acquisition and/or strategic investments and working capital. Of this amount, S$2,000,000 was utilised for investment in available-for-sale financial assets and S$1,800,000 was utilised to finance a new business venture. The use of the proceeds is in accordance with the stated use.

C. Proceeds from exercise of Introducer (MOU) Warrants

As at 30 June 2016, 12,500,000 Introducer (MOU) Warrants had been exercised and S$1,559,000 had been received by the Group. Of this amount, S$838,000 was utilised for general working capital and the breakdown was as follows:

General working capital – Purpose of utilisation	Percentage Utilised (%)
Payment of employee compensation and Directors' fees	57.6
Payment of office overheads	19.1
Payment of professional fees and other compliance costs	23.3
Total	**100.0**

The use of the proceeds is in accordance with the stated use.

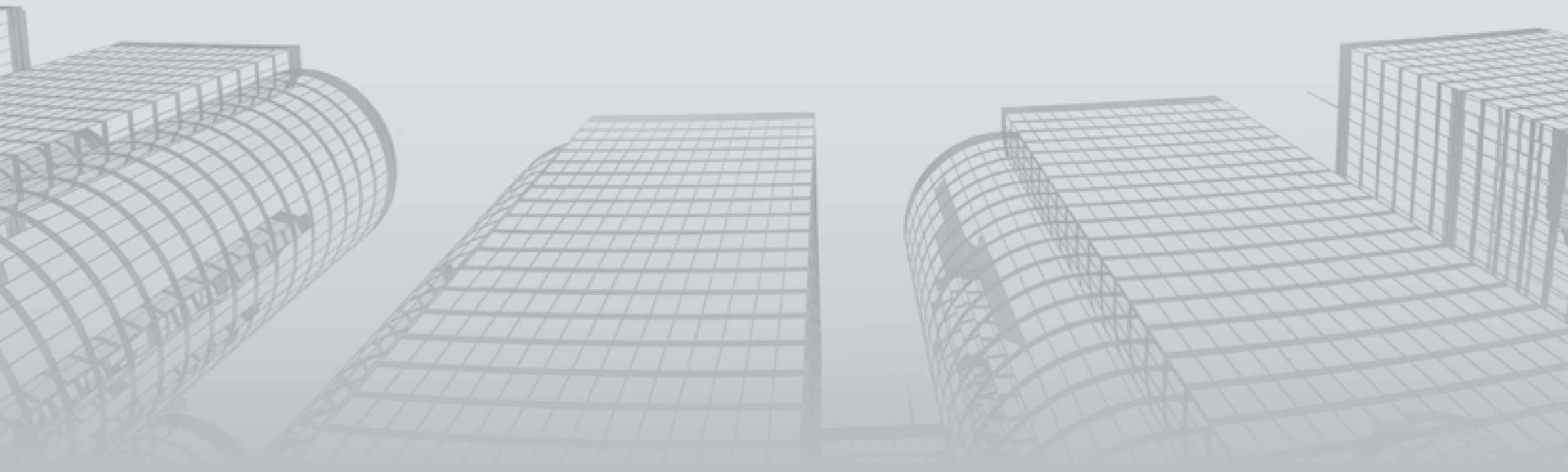
D. Rights-cum-Warrants issue completed on 20 November 2015 ("2015 Rights-cum-Warrants Issue")

On 20 November 2015, the Company issued 2,593,863,776 new ordinary shares at S$0.005 per share pursuant to the 2015 Rights cum Warrants Issue and raised net proceeds of S$12,618,700. Of this amount, S$1,702,000 (13.5%) was utilised to fund the expansion in the new business of real estate agency and real estate-related services and support. The use of the proceeds is in accordance with the stated use.

GAINING GROUND

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

FINANCIAL STATEMENTS



DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

The directors are pleased to present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2016 and the balance sheet of the Company as at 30 June 2016.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 25 to 88 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2016 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, 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 report are as follows:

Dato' Dr Choo Yeow Ming
Hano Maeloa
Dr. Lam Lee G.
Chew Soo Lin
Yap Siean Sin
Lee Keng Mun

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 2016

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 1.7.15	At 30.6.16	At 1.7.15	At 30.6.16
Company				
(No. of ordinary shares)				
Dato' Dr Choo Yeow Ming	201,881,844	605,645,532	37,795,000	182,479,500
Hano Maeloa	102,372,718	307,118,154	-	-
Chew Soo Lin	1,200,036	3,600,036	-	-
(No. of warrants expiring on 16 July 2018)				
Dato' Dr Choo Yeow Ming	-	-	140,700	-
(No. of warrants expiring on 6 May 2019)				
Dato' Dr Choo Yeow Ming	-	-	22,890,800	-
Hano Maeloa	76,977,265	187,632,083	-	-
Chew Soo Lin	2,200,030	5,362,573	-	-
(No. of warrants expiring on 19 Nov 2020)				
Dato' Dr Choo Yeow Ming	-	403,763,088	-	121,653,000
Hano Maeloa	-	204,745,436	-	-
Chew Soo Lin	-	2,400,000	-	-

(b) The directors' interests in the ordinary shares and warrants of the Company as at 21 July 2016 were the same as those as at 30 June 2016.

Share options

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 2016

Audit Committee

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

Yap Siean Sin (Chairman)
Dr Lam Lee G.
Chew Soo Lin

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

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

- Reviews the audit plans of the internal auditor and independent auditor of the Company and the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the internal auditor and independent auditor;
- Reviews the quarterly and annual financial statements and the independent auditor's report on the annual financial statements of the Company before their submission to the Board of Directors;
- Reviews the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Meets with the independent auditor, 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;
- Reviews the results of the audit performed by the independent auditor;
- Reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual (Section B: Rules of Catalist).

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

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

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Independent Auditor

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

On behalf of the directors

....

Dato' Dr Choo Yeow Ming
Director

....

Lee Keng Mun
Director

6 October 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Asia-Pacific Strategic Investments Limited (the "Company") and its subsidiary corporations (the "Group") set out on pages 25 to 88, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 30 June 2016, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants
Director-in-charge: Lee Look Ling
Appointed since financial year ended 30 June 2016

Singapore

6 October 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	2016 RM'000	2015 RM'000
Continuing operations			
Revenue	4	**26,744**	193
Cost of services		**(22,964)**	-
Gross profit		**3,780**	193
Other (losses)/gains, net	7	**(229,807)**	3,847
Expenses			
- Distribution and marketing		**(261)**	-
- Administrative		**(20,024)**	(6,229)
Loss before income tax		**(246,312)**	(2,189)
Income tax credit/(expense)	8	**9**	(39)
Loss from continuing operations		**(246,303)**	(2,228)
Discontinued operations			
Loss from discontinued operations	9(a)	**(1,472)**	(3,729)
Total loss for the financial year and attributable to equity holders of the Company		**(247,775)**	(5,957)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gains		**-**	1,382
- Reclassification		**(1,382)**	-
Currency translation differences arising from consolidation			
- Losses		**(200)**	-
		(1,582)	1,382
Items that will not be reclassified subsequently to profit or loss:			
Reversal of restructuring reserve on disposal of subsidiary corporations		**201,554**	-
Other comprehensive income, net of tax		**199,972**	1,382
Total comprehensive loss for the financial year and attributable to equity holders of the Company		**(47,803)**	(4,575)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	2016	2015
Loss per share from continuing and discontinued operations attributable to equity holders of the Company (RM sen per share)			
Basic loss per share	10(a)		
From continuing operations		**(7.94)**	(0.13)
From discontinued operations		**(0.05)**	(0.22)
Diluted loss per share*	10(b)		
From continuing operations		**-**	-
From discontinued operations		**-**	-

* *Diluted loss per share is not presented as it is anti-dilutive.*

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

BALANCE SHEETS

AS AT 30 JUNE 2016

		Group		Company	
		2016	2015	**2016**	2015
	Note	**RM'000**	RM'000	**RM'000**	RM'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**36,010**	11,985	**20,042**	11,985
Financial assets, at fair value through profit or loss	12	**42,744**	34,874	**42,744**	34,874
Trade and other receivables	13	**39,675**	5,606	**36,305**	5,606
Other current assets	14	**1,394**	311	**322**	311
Available-for-sale financial assets	15	**5,963**	-	**5,963**	-
		125,786	52,776	**105,376**	52,776
Assets of disposal group classified as held-for-sale	9(c), 9(e)	**-**	74,272	**-**	10,700
		125,786	127,048	**105,376**	63,476
Non-current assets					
Available-for-sale financial assets	15	**-**	17,251	**-**	17,251
Investment in subsidiary corporations	16	**-**	-	**-***	-
Property, plant and equipment	17	**1,501**	64	**41**	64
Intangible assets	18	**4,717**	-	**-**	-
		6,218	17,315	**41**	17,315
Total assets		**132,004**	144,363	**105,417**	80,791
LIABILITIES					
Current liabilities					
Trade and other payables	19	**28,410**	190	**918**	190
Current income tax liabilities	8(a)	**262**	43	**6**	43
		28,672	233	**924**	233
Liabilities directly associated with disposal group classified as held-for-sale	9(d)	**-**	27,574	**-**	-
		28,672	27,807	**924**	233
Non-current liabilities					
Other payable	19	**-**	10,579	**-**	10,579
Provisions	20	**492**	-	**-**	-
Deferred income tax liabilities	21	**257**	-	**-**	-
		749	10,579	**-**	10,579
Total liabilities		**29,421**	38,386	**924**	10,812
Net assets		**102,583**	105,977	**104,493**	69,979
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	22	**384,912**	340,503	**384,912**	340,503
Other reserves	23	**(200)**	(200,172)	**-**	1,382
Accumulated losses		**(282,129)**	(34,354)	**(280,419)**	(271,906)
Total equity		**102,583**	105,977	**104,493**	69,979

* *Less than RM1,000*

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

		← Attributable to equity holders of the Company →					
	Note	Share capital RM'000	Restructuring reserve RM'000	Fair value reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000
2016							
Beginning of financial year		340,503	(201,554)	1,382	-	(34,354)	105,977
Total comprehensive income/ (loss) for the financial year		-	201,554	(1,382)	(200)	(247,775)	(47,803)
Issue of new ordinary shares		39,118	-	-	-	-	39,118
Share issue expenses		(1,060)	-	-	-	-	(1,060)
Issue of new ordinary shares pursuant to exercise of warrants		3,076	-	-	-	-	3,076
Issue of new ordinary shares as consideration for acquisition of indirect subsidiary corporation	29(a)	3,275	-	-	-	-	3,275
End of financial year		**384,912**	**-**	**-**	**(200)**	**(282,129)**	**102,583**
2015							
Beginning of financial year		328,677	(201,554)	-	-	(28,397)	98,726
Total comprehensive income/ (loss) for the financial year		-	-	1,382	-	(5,957)	(4,575)
Issue of new ordinary shares pursuant to exercise of warrants	22	11,826	-	-	-	-	11,826
End of financial year		340,503	(201,554)	1,382	-	(34,354)	105,977

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	2016 RM'000	2015 RM'000
Cash flows from operating activities			
Net loss		**(247,775)**	(5,957)
Adjustments for:			
- Income tax (credit)/expense		**(9)**	39
- Interest expense		**55**	134
- Interest income		**(884)**	(568)
- Depreciation of property, plant and equipment		**273**	43
- Property, plant and equipment written-off		**173**	31
- Amortisation of intangible assets		**151**	-
- Loss on disposal of subsidiary corporations		**236,080**	-
- Impairment loss on available-for-sale financial assets		**11,288**	-
- Reclassification from other comprehensive income		**(1,382)**	-
- Reversal of other payable		**(11,926)**	-
- Unrealised translation losses		**1,340**	144
		(12,616)	(6,134)
Change in working capital, net of effects from acquisition and disposal of subsidiary corporations:			
- Inventories and development expenditure		**273**	4,170
- Trade and other receivables		**(19,880)**	(2,409)
- Financial assets, at fair value through profit or loss		**(7,870)**	(9,290)
- Other current assets		**(160)**	83
- Trade and other payables		**20,029**	1,131
Cash used in operations		**(20,224)**	(12,449)
- Income tax paid, net		**(28)**	(37)
- Interest received		**368**	568
Net cash used in operating activities		**(19,884)**	(11,918)
Cash flows from investing activities			
- Additions to property, plant and equipment		**(149)**	(423)
- Purchase of available-for-sale financial assets		**-**	(5,290)
- Acquisitions of subsidiary corporations, net of cash acquired	29(b)	**1,949**	-
- Disposal of a subsidiary corporation, net of cash disposed of	11	**(7,219)**	-
Net cash used in investing activities		**(5,419)**	(5,713)
Cash flows from financing activities			
- Proceeds from issuance of new ordinary shares		**39,118**	-
- Share issue expense		**(1,060)**	-
- Proceeds from issuance of new shares pursuant to exercise of warrants		**3,076**	11,826
- Increase in pledged short-term bank deposits		**-**	(698)
- Repayment of finance lease liabilities		**(54)**	(213)
- Interest paid		**(55)**	(79)
Net cash from financing activities		**41,025**	10,836
Net increase/(decrease) in cash and cash equivalents		**15,722**	(6,795)
Cash and cash equivalents at beginning of financial year		**20,562**	27,501
Effects of currency translation on cash and cash equivalents		**(274)**	(144)
Cash and cash equivalents at end of financial year	11	**36,010**	20,562

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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

The financial statements of the Group and the Company for the financial year ended 30 June 2016 were authorised for issue in accordance with a resolution of directors on 6 October 2016.

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

The principal activity of the Company is that of investment holding and provision of management services to its subsidiary corporations. The principal activities of the subsidiary corporations are disclosed in Note 16.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS 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.

Interpretations and amendments to published standards effective in 2015

On 1 July 2015, the Group adopted the new or amended FRS and Interpretations to FRS (the "INT FRS") 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 FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the financial year ended 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.2 Revenue recognition

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

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related costs can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

Real estate agency services:

(a) *Commission income*

Revenue from commission is recognised when these services are rendered and are contractually billable.

(b) *Franchise income*

Franchise income is recognised in accordance to the terms of the franchise agreement and when the Company's entitlement to payment has been established.

(c) *Management services fee income*

Management services fee income is recognised upon the rendering of management services.

Bereavement care services:

(d) *Sale of burial plots/niches and columbarium niches*

Sale of burial plots/niches and columbarium niches is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally transfers when the goods are ready for delivery.

(e) *Sale of tombs*

Revenue from sale of tombs is recognised upon significant completion of each contract. Revenue from tombs construction which are in progress or not constructed as at balance sheet date are deferred and classified as 'deferred revenue' under 'trade and other payables'.

(f) *Sale of funeral packages*

Revenue from sale of funeral packages is recognised when the services are performed. Revenue from funeral packages where services have not been performed as at balance sheet date are deferred and classified as 'deferred revenue' under 'trade and other payables'.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.2 Revenue recognition (continued)

Other revenue:

(g) Interest income

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

(h) Dividend income

Dividend income is recognised when the right to receive payment is established.

(i) Rental income

Rental income from leasing of workstations and office premises is accounted for based on a straight-line basis over the lease terms stipulated in the contracts.

2.3 Government grants

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

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 but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(a) Subsidiary corporations (continued)

(i) Consolidation (continued)

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

(ii) Acquisitions

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The acquisitions of these subsidiary corporations by the Company were pursuant to the restructuring exercise in connection with the introduction of the Company to the official list of the SGX-ST as described in the Introductory Document of the Company dated 27 June 2007.

The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements. Any difference between the amount recorded as share capital issued and the amount recorded for the share capital acquired is adjusted against equity as restructuring reserve.

Apart from the above, acquisitions of subsidiary corporations are accounted for by applying the acquisition method.

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 the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant 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 recorded at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(b) Components of costs

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

(c) Depreciation

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

	Useful lives
Renovation	3 - 10 years
Office equipment, furniture and fittings	5 - 10 years

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(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 and losses”. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.6 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiary corporations and businesses on or after 1 January 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiary corporations and businesses prior to 1 January 2001 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group’s share of the identifiable net assets acquired.

Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

(b) *Franchise rights*

Franchise rights that have finite useful lives are initially stated at cost, which represents fair value at the date of acquisition and are subsequently carried at cost less accumulated amortisation and any impairment loss. The cost is amortised to profit or loss over their estimated useful lives of 2 years using the straight-line method.

The amortisation period and amortisation method of intangible assets are reviewed at least once at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Franchise rights that have indefinite useful lives are initially stated at cost, which represents fair value at the date of acquisition and are not subjected to amortisation but tested at least annually for impairment and carried at cost less any impairment loss. The useful life of the franchise rights is estimated to be indefinite because management believes there is no foreseeable limit to the period over which the franchise rights is expected to generate the cash inflows for the Group. The useful life of an intangible asset with indefinite useful life is reviewed at each balance sheet date to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

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 balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

(a) Goodwill on acquisitions

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

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

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

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

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

(b) Intangible assets
Property, plant and equipment
Investments in subsidiary corporations

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

(b) *Intangible assets*
Property, plant and equipment
Investments in subsidiary corporations (continued)

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. 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*

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 13) and "cash and cash equivalents" (Note 11) on the balance sheet.

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

(b) 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 a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

(e) Impairment (continued)

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.10(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.11 Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.12 Financial guarantees

The Company has issued corporate guarantees to a bank for borrowings of its subsidiary corporation. These guarantees are financial guarantees as they require the Company to reimburse the bank if the subsidiary corporation fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiary corporations' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

2.13 Trade and other payables

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

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

2.14 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) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

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

2.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(a) Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.15 Leases

(b) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.16 Inventories and development expenditure

(a) Inventories are valued at the lower of cost and net realisable value. In general, cost is determined on a first-in, first-out basis and includes all costs in bringing the inventories to their present location and condition.

(b) Land under development for interment purposes are valued at the lower of cost and net realisable value. Land costs consist of cost of the land plus incidental expenses incurred in bringing the land to the present condition.

(c) Development expenditure is stated at cost and consists of all direct construction costs and appropriate development overheads.

Net realisable value is the estimated price at which the inventories can be realised in the normal course of business after allowing for the cost of realisation and where appropriate, the cost of conversion from their existing state to a finished condition.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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 on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is measured:

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.17 Income taxes (continued)

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

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

2.18 Provisions

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

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

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

2.19 Employee benefits

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

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, the Malaysian Employees Provident Fund and Hong Kong Mandatory Provision Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.20 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 Ringgit Malaysia ("RM"), which is the functional currency of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.20 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 balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

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

Currency translation gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other currency translation gains and losses impacting profit or loss are presented in the income statement within "other gains and losses".

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.

Goodwill and fair value adjustments arising on 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.

2.21 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.

2.22 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2 Summary of significant accounting policies (continued)

2.23 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.

2.24 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:

(i) represents a separate major line of business or geographical area of operations;

(ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(iii) is a subsidiary corporation acquired exclusively with a view to resale.

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 Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

If the net present values of estimated cash flows had been higher/lower by 10% from management's estimates for all past due loans and receivables, the allowance for impairment of the Group would have been lower/higher by RM501,000 (2015: RM219,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

3 Critical accounting estimates, assumptions and judgements (continued)

3.2 Estimated impairment of non-financial assets

Goodwill and indefinite life franchise right are tested for impairment annually and whenever there is indication that the goodwill and indefinite life franchise right may be impaired. Intangible assets, property, plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. In determining the recoverable value, an estimate of expected future cash flows from each asset or cash-generating-unit and an appropriate discount rate is required to be made. An impairment exists when the carrying amount of an asset or cash-generating-unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Management has assessed that there is no objective evidence or indication that the carrying amounts of the Group's intangible assets and property, plant and equipment and the Company's property, plant and equipment and investment in subsidiary corporations may not be recoverable as at the balance sheet date, accordingly impairment assessment is not required. The carrying amount of the investment in subsidiary corporations, property, plant and equipment and intangible assets are disclosed in Note 16, 17 and 18 to the financial statements respectively.

The recoverable amount of goodwill and indefinite life franchise right are determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a three-year period. No impairment is recognised for the Group's goodwill and indefinite life franchise right during the financial year ended 30 June 2016 as disclosed in Note 18 to the financial statements.

3.3 Impairment of available-for-sale financial assets

In determining whether any impairment has arisen, management has considered, among other factors, the market conditions and regulations and business outlook of the investee.

As at 30 June 2016, fair value of the unquoted equity securities is determined based on the bid price from the potential buyer as management has the intention to dispose of the unquoted equity securities. Management had recognised impairment loss of RM11,288,000 (2015: Nil) during the financial year. Please refer to Note 26(e) for the sensitivity analysis.

As at 30 June 2015, management had used discounted cash flow analysis to determine the fair value of the financial assets.

The carrying amounts of available-for-sale financial assets at the reporting date are disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

4 Revenue

	Group	
	2016	2015
	RM'000	RM'000
Commission income	**24,727**	-
Franchise income	**1,799**	-
Management services fee income	**218**	193
	26,744	193

5 Expenses by nature

	Group	
	2016	2015
	RM'000	RM'000
Fees on audit services paid/payable to:		
- Auditor of the Company	**151**	112
- Other auditor	**29**	-
Fees on non-audit services paid/payable to:		
- Auditor of the Company	**200**	-
- Other auditor	**17**	60
Depreciation of property, plant and equipment (Note 17)	**273**	43
Amortisation of intangible assets [Note 18(b)]	**151**	-
Advertising expense	**237**	-
Allowance for impairment of other receivables [Note 26(b)]	**5,589**	-
Commission expenses	**22,964**	-
Donations	**640**	12
Employee compensation (Note 6)	**5,436**	2,751
Operating lease expenses	**2,150**	1,136
Professional fees	**2,060**	928
Travelling expenses	**329**	12
Others	**3,023**	1,175
Total cost of services, distribution and marketing and administrative expenses	**43,249**	6,229

6 Employee compensation

	Group	
	2016	2015
	RM'000	RM'000
Wages and salaries	**7,838**	7,176
Employer's contribution to defined contributions plans	**746**	802
Other short-term benefits	**356**	880
	8,940	8,858
Less: Amounts attributable to discontinued operations	**(3,504)**	(6,107)
Amounts attributable to continuing operations (Note 5)	**5,436**	2,751

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

7 Other (losses)/gains, net

	Group	
	2016	2015
	RM'000	RM'000
Fair value gain/(loss)		
- Financial assets designated at fair value through profit or loss	**4,145**	(2,497)
Available-for-sale financial assets		
- Impairment loss (Note 15)	**(11,288)**	-
- Reclassification from other comprehensive income [Note 23(b)(ii)]	**1,382**	-
	(9,906)	-
Currency translation (loss)/gain, net	**(1,373)**	1,500
Dividend income	**617**	2,047
Gain on disposal of financial assets, at fair value through profit or loss	**-**	2,791
Government grant *	**17**	6
Interest income from other receivables	**506**	-
Loss on disposal of subsidiary corporations (Note 11)	**(236,080)**	-
Property, plant and equipment written-off	**(174)**	-
Reversal of other payable (Note 19)	**11,926**	-
Others	**515**	-
	(229,807)	3,847

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

8 Income tax

(a) Income tax expense

	Group	
	2016	2015
	RM'000	RM'000
Tax expense attributable to loss is made up of:		
Continuing operations		
- Current income tax		
- Singapore	**6**	42
- Over provision of income tax in prior financial years	**(15)**	(3)
	(9)	39

The tax on the Group's results before 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	
	2016	2015
	RM'000	RM'000
Loss before income tax from:		
- continuing operations	**(246,312)**	(2,189)
- discontinued operations [Note 9(a)]	**(1,472)**	(3,729)
	(247,784)	(5,918)
Tax calculated at the domestic tax rates applicable to profit or loss in the countries where the Group operates	**(42,123)**	(1,304)
Effects of:		
- expenses not deductible for tax purposes	**41,964**	402
- income not subject to tax	**-***	(977)
- partial tax exemption and tax relief	**(30)**	(79)
- deferred tax assets not recognised	**195**	2,000
- overprovision in respect of prior financial years	**(15)**	(3)
Income tax (credit)/expense recognised in profit or loss	**(9)**	39

* *Less than RM1,000.*

The above reconciliation is prepared by aggregating separate reconciliation for using the appropriate tax rate in each individual jurisdiction.

The Singapore corporate tax rate was 17% for the financial years 2016 and 2015.

The Malaysia corporate tax rate was 25% for the financial years 2016 and 2015.

The Hong Kong corporate tax rate was 16.5% for the financial year 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

8 Income tax (continued)

(a) Movement in current income tax liabilities

	Group		Company	
	2016	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000
Beginning of financial year	**43**	41	**43**	41
Income tax paid	**(28)**	(37)	**(28)**	(37)
Income tax expense	**6**	42	**6**	42
Over provision in prior financial years	**(15)**	(3)	**(15)**	(3)
Acquisition of subsidiary corporations [Note 29(c)]	**274**	-	**-**	-
Currency translation difference	**(18)**	-	**-**	-
End of financial year	**262**	43	**6**	43
Represent:				
- Current income tax liabilities	**262**	43	**6**	43

(b) Deferred income taxes

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of RM587,000 (2015: RM46,850,000) and capital allowances of RM594,000 (2015: RM1,902,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date.

During the financial year ended 30 June 2016, the Group has disposed of its subsidiary corporation which has an unrecognised tax loss of RM46,850,000 (2015: 46,850,000) and capital allowances of RM1,902,000 (2015: RM1,902,000).

9 Discontinued operations and disposal group classified as held-for-sale

As announced on 4 July 2014, the Company entered into a conditional share purchase agreement (the "SPA") with Heng Aik Koon (the "Purchaser") for the sale of the entire issued and paid-up capital of HMS Capital Sdn Bhd ("HMSC"), a wholly-owned subsidiary corporation of the Company, for a cash consideration of RM10,700,000 ("Proposed Disposal"). In compliance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, the entire assets and liabilities of HMSC are classified as a disposal group held-for-sale on the consolidated balance sheet, and the entire results of HMSC are presented separately in the statement of comprehensive income as "Discontinued Operations".

On 4 February 2016, the proposed disposal was completed. Consequently, the Company has deconsolidated the results of HMSC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

9 Discontinued operations and disposal group classified as held-for-sale (continued)

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

	Group	
	2016	2015
	RM'000	RM'000
Revenue	**8,594**	15,060
Cost of sales	**(4,274)**	(5,415)
Gross profit	**4,320**	9,645
Other gains/(losses), net	**540**	(3,197)
Expenses		
- Distribution and marketing	**(449)**	(1,721)
- Administrative	**(5,828)**	(8,322)
Finance expense	**(55)**	(134)
Loss before tax from discontinued operations	**(1,472)**	(3,729)
Income tax credit	**-**	-
Total loss from discontinued operations	**(1,472)**	(3,729)
Loss attributable to equity holders of the Company relates to		
- Loss from continuing operations	**(246,303)**	(2,228)
- Loss from discontinued operations	**(1,472)**	(3,729)
Total	**(247,775)**	(5,957)

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

	Group	
	2016	2015
	RM'000	RM'000
Operating cash inflows	**801**	2,398
Investing cash outflows	**(105)**	(409)
Financing cash outflows	**(103)**	(990)
Total cash inflow	**593**	999

(c) Details of assets in disposal group classified as held-for-sale are as follows:

	Group	
	2016	2015
	RM'000	RM'000
Cash and bank balances	**-**	23,113
Trade and other receivables	**-**	6,475
Inventories and development expenditure	**-**	40,668
Other current assets	**-**	204
Property, plant and equipment	**-**	3,812
	-	74,272

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

9 Discontinued operations and disposal group classified as held-for-sale (continued)

(d) Details of liabilities directly associated with disposal group classified as held-for-sale are as follows:

	Group	
	2016	2015
	RM'000	RM'000
Trade and other payables	-	27,311
Borrowings	-	263
	-	27,574

(e) Details of assets classified as held-for-sale are as follows:

	Company	
	2016	2015
	RM'000	RM'000
Investments in subsidiary corporations		
Unquoted equity investments, at cost	-	278,783
Less: Accumulated impairment loss	-	(268,083)
Net book value	-	10,700
Non-trade amounts due from subsidiary corporations	-	9,627
Less: Allowance for impairment	-	(9,627)
Non-trade amounts due from subsidiary corporations – net	-	-
	-	10,700

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

10 Loss per share

(a) Basic 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. During the financial year, the number of ordinary shares outstanding had increased as a result of rights issue. The calculations of basic loss per share for all periods presented have been adjusted retrospectively.

	Continuing operations		Discontinued operations		Total	
	2016	2015	**2016**	2015	**2016**	2015
Net loss attributable to equity holders of the Company (RM'000)	**(246,303)**	(2,228)	**(1,472)**	(3,729)	**(247,775)**	(5,957)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**3,101,660**	1,670,015	**3,101,660**	1,670,015	**3,101,660**	1,670,015
Basic loss per share (RM sen per share)	**(7.94)**	(0.13)	**(0.05)**	(0.22)	**(7.99)**	(0.35)

(b) Diluted loss per share

The Company's dilutives potential ordinary shares are the warrants as disclosed in Note 22. However, no diluted loss per share was presented as the exercise of the warrants is anti-dilutive.

11 Cash and cash equivalents

	Group		Company	
	2016	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000
Cash at bank and on hand	**36,010**	11,985	**20,042**	11,985

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2016	2015
	RM'000	RM'000
Continuing operations		
Cash and bank balances (as above)	**36,010**	11,985
Discontinued operations		
Cash and bank balances [Note 9(c)]	**-**	23,113
Less: Pledged short-term bank deposits	**-**	(14,536)
	-	8,577
Cash and cash equivalents per consolidated statement of cash flows	**36,010**	20,562

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

11 Cash and cash equivalents (continued)

Short-term bank deposits pledged were in relation to the security for bank guarantee facility granted to a subsidiary corporation which has been disposed of during the financial year.

Acquisition and disposal of subsidiary corporations

Please refer to Note 29 for the effects of acquisitions of subsidiary corporations on the cash flows of the Group.

On 4 February 2016, the Company disposed of its entire interest in HMS Capital Sdn Bhd and its subsidiary corporations for a consideration of RM10,700,000. The effects of the disposal on the cash flows of the Group were:

	Group
	2016
	RM'000
Carrying amounts of assets and liabilities disposed of	
Property, plant and equipment	**3,918**
Cash and cash equivalents	**23,705**
Trade and other receivables	**8,479**
Inventories	**40,395**
Total assets	**76,497**
Trade and other payables	**(31,062)**
Borrowings	**(209)**
Total liabilities	**(31,271)**
Net assets derecognised	**45,226**
Restructuring reserve [Note 23(b)(ii)]	**201,554**
Net assets disposed of	**246,780**

The aggregate cash outflows arising from the disposal of HMS Capital Sdn Bhd and its subsidiary corporations were:

Net assets disposed of (as above)	**246,780**
Loss on disposal (Note 7)	**(236,080)**
Cash proceeds from disposal	**10,700**
Less: Outstanding proceeds from disposal [Note 13(c)]	**(8,750)**
Less: Cash and cash equivalents in subsidiary corporations disposed of	**(23,705)**
Add: Pledged short-term bank deposits in subsidiary corporations disposed of	**14,536**
Net cash outflow on disposal	**(7,219)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

12 Financial assets, at fair value through profit or loss

	Group and Company	
	2016	2015
	RM'000	RM'000
Held for trading		
Malaysia		
- Quoted equity securities	**42,744**	34,874

The above investment relates to investment in quoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. The fair value of the security is based on closing quoted market prices on the last market day of the financial year end.

13 Trade and other receivables

	Group		Company	
	2016	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables				
– non-related parties	**13,996**	-	**-**	-
Other receivables				
– non-related parties	**30,752**	5,606	**30,738**	5,606
– subsidiary corporations	**-**	-	**10,640**	-
Less: Allowance for impairment of other receivables – non-related parties [Note 26(b)]	**(5,589)**	-	**(5,589)**	-
Other receivables – net	**25,163**	-	**35,789**	-
Interest receivables				
– non-related parties	**516**	-	**516**	-
	39,675	5,606	**36,305**	5,606

Included in other receivables are the following:

(a) Loan to a non-related party of RM5,589,000 (2015: RM5,589,000) which was to fund the costs to engage an independent qualified person to prepare the Australasian Joint Ore Reserves Committee ("JORC") report in relation to the proposed acquisition of 100% equity interest of Coeur Gold Amenia Ltd ("Coeur Gold"). Coeur Gold will use the JORC report to establish the existence of adequate resources with reasonable prospects for economic extraction in a defined area where it has exploration and exploitation on rights. The loan is unsecured, interest-free and repayable within 7 days upon termination or within 30 days upon completion of the proposed acquisition. This amount is fully impaired during the financial year, in view of the proposed acquisition has been aborted and the collectability of the loan is doubtful.

(b) On 11 January 2016, the Company entered into a conditional sale and purchase agreement (the "S&P Agreement") with 中房集团联合投资股份有限公司 ("中房联合投资") and 中房联合集团企业管理有限公司 ("中房企业管理") (together, the "Vendors") to acquire 100% of the rights and interests of and in 中房联合置业集团有限公司 (the "Target Company").

During the year, the Company provided working capital loan to 中房联合投资 amounting to RM16,399,000. The loan is secured against the equity interests of 中房联合置业's subsidiary corporations, 湖州荻溪耕读生态农业发展有限公司 and 湖州苕溪渔隐文化产业有限公司. The loan bears a fixed interest of 5% p.a. and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

13 Trade and other receivables (continued)

Included in other receivables are the following: (continued)

(c) Outstanding proceeds from the disposal of a subsidiary corporation amounting to RM8,750,000.

14 Other current assets

	Group		Company	
	2016	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000
Deposits	**875**	260	**256**	260
Prepaid operating expenses	**519**	51	**66**	51
	1,394	311	**322**	311

15 Available-for-sale financial assets

	Group and Company	
	2016	2015
	RM'000	RM'000
Beginning of financial year	**17,251**	-
Additions	**-**	15,869
Fair value gains recognised in other comprehensive income [Note 23 (b)(ii)]	**-**	1,382
Impairment loss (Note 7)	**(11,288)**	-
End of financial year	**5,963**	17,251
Less: Current portion	**(5,963)**	-
Non-current portion	**-**	17,251

Available-for-sale financial assets are analysed as follows:

	Group and Company	
	2016	2015
	RM'000	RM'000
Unquoted equity securities – British Virgin Island	**5,963**	17,251

On 9 December 2014, the Company entered into a sale and purchase agreement (the "Agreement") and completed the acquisition of 22.3% equity interest of a company that is engaged in mineral mining industry. Fair value of the unquoted equity securities is determined based on the bid price from the potential buyer as the management has the intention to dispose of the unquoted equity securities. Consequently, the Group and Company recognised an impairment loss of RM11,288,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

16 Investments in subsidiary corporations

	Company	
	2016	2015
	RM'000	RM'000
Equity investments at cost		
Beginning of financial year	**-**	-
Additions	**-***	-
End of financial year	**-***	-

* *Less than RM1,000*

In prior financial year, the net book value of investments in subsidiary corporations is classified as assets held-for-sale [Note 9(e)].

Details of subsidiary corporations are as follows:

Name of the company	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent 2016 %	Proportion of ordinary shares directly held by parent 2015 %	Proportion of ordinary shares directly held by Group 2016 %	Proportion of ordinary shares directly held by Group 2015 %
Held by the Company						
Asia-Pacific Real Estate Agency Pte Ltd(1)	Investment holding	Singapore	**100**	-	**100**	-
HMS Capital Sdn Bhd(2)(3)(4)	Investment holding, development and operator of bereavement business and project management consultancy	Malaysia	**-**	100	**-**	100
Held by Asia-Pacific Real Estate Agency Pte Ltd						
APS Technology Pte Ltd(1)	Dormant	Singapore	**-**	-	**100**	-
Century 21 Hong Kong Limited(5)	Provision of franchise services	Hong Kong	**-**	-	**100**	-
Global Alliance Property Pte Ltd(1)	Real estate agency	Singapore	**-**	-	**100**	-
Global Overseas Chinese Real Estate .Net Pte Ltd(1)	Dormant	Singapore	**-**	-	**100**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

16 Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows: (continued)

Name of the company	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by Group	
			2016	2015	**2016**	2015
			%	%	**%**	%
Held by Century 21 Hong Kong Limited						
Century 21 Limited[6]	Dormant	Macau	**-**	-	**100**	-
Held by Global Alliance Property Pte Ltd						
Century 21 (AsPac) Realty Pte Ltd[1]	Real estate agency	Singapore	**-**	-	**100**	-
Held by HMS Capital Sdn Bhd						
Semenyih Memorial Hills Berhad[2][3][4]	Sales agent of bereavement business and operation of cemeteries	Malaysia	**-**	-	**-**	100
Jing An Memorial Village Sdn Bhd[2][3][4]	Provision of various bereavement services	Malaysia	**-**	-	**-**	100
SMH Bereavement Services Sdn Bhd[2][3][4]	Provision of various bereavement services	Malaysia	**-**	-	**-**	100
SMH Construction Sdn Bhd[2][3][4]	Development, construction and management of tomb, cemetery and related services	Malaysia	**-**	-	**-**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

16 Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows: (continued)

Name of the company	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent 2016 %	Proportion of ordinary shares directly held by parent 2015 %	Proportion of ordinary shares directly held by Group 2016 %	Proportion of ordinary shares directly held by Group 2015 %
Held by HMS Capital Sdn Bhd						
U&U Memorial Marketing (KL) Sdn Bhd(2)(3)(4)	Dormant	Malaysia	-	-	-	100
SMH Park Management Sdn Bhd(2)(3)(4)	Planning, operation, maintenance and management of cemetery grounds and related buildings and facilities	Malaysia	-	-	-	100

(1) Audited by Nexia TS Public Accounting Corporation, Singapore, an independent member firm of Nexia International.

(2) Audited by GEP Associates, Malaysia (An independent member firm of AGN International Ltd). The board of directors and audit committee are satisfied that the appointment of GEP Associates as independent auditor of these subsidiary corporations would not compromise the standard and effectiveness of the audit of the Company and that Rule 716 of Section B of the Listing Manual of the SGX-ST has been complied with.

(3) On 4 July 2014, the Company entered into a conditional share purchase agreement for the sale of the entire issued and paid-up capital of HMS Capital Sdn Bhd. Since 30 June 2014, HMS Capital Sdn Bhd and its subsidiary corporations have been classified as discontinued operations and disposal group classified as held-for-sale (Note 9).The disposal was completed on 4 February 2016.

(4) Audited by Nexia TS Public Accounting Corporation, Singapore, an independent member firm of Nexia International, for consolidation purposes.

(5) Audited by Nexia Charles Mar Fan Limited, Hong Kong, an independent member firm of Nexia International.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

17 Property, plant and equipment

	Renovation	Office equipment, furniture and fittings	Total
	RM'000	**RM'000**	**RM'000**
Group			
2016			
Cost			
Beginning of financial year	-	424	424
Acquisition of subsidiary corporations [Note 29(c)]	878	446	1,324
Written off	(179)	(14)	(193)
Additions	487	43	530
Currency translation differences	22	10	32
End of financial year	1,208	909	2,117
Accumulated depreciation			
Beginning of financial year	-	360	360
Depreciation charge (Note 5)	133	140	273
Written off	(5)	(14)	(19)
Currency translation differences	1	1	2
End of financial year	129	487	616
Net book value			
End of financial year	**1,079**	**422**	**1,501**
2015			
Cost			
Beginning of financial year	-	410	410
Additions	-	14	14
End of financial year	-	424	424
Accumulated depreciation			
Beginning of financial year	-	317	317
Depreciation charge (Note 5)	-	43	43
End of financial year	-	360	360
Net book value			
End of financial year	**-**	**64**	**64**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

17 Property, plant and equipment (continued)

	Office equipment, furniture and fittings
	RM'000
Company	
2016	
Cost	
Beginning of financial year	424
Additions	22
Written-off	(14)
End of financial year	432
Accumulated depreciation	
Beginning of financial year	360
Depreciation charge	45
Disposal	(14)
End of financial year	391
Net book value	
End of financial year	**41**
2015	
Cost	
Beginning of financial year	410
Additions	14
End of financial year	424
Accumulated depreciation	
Beginning of financial year	317
Depreciation charge	43
End of financial year	360
Net book value	
End of financial year	**64**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

18 Intangible assets

	Group	
	2016	2015
	RM'000	RM'000
Goodwill arising on consolidation [Note (a)]	**3,331**	-
Franchise rights [Note (b)]	**1,386**	-
	4,717	-

(a) Goodwill arising on consolidation

	Group	
	2016	2015
	RM'000	RM'000
Cost		
Beginning of financial year	**-**	-
Acquisition of subsidiary corporations [Note 29(c)]	**3,308**	-
Currency translation differences	**23**	-
End of financial year	**3,331**	-

(b) Franchise rights

	Group	
	2016	2015
	RM'000	RM'000
Cost		
Beginning of financial year	**-**	-
Acquisition of subsidiary corporations [Note 29(c)]	**1,576**	-
Currency translation differences	**(38)**	-
End of financial year	**1,538**	-
Accumulated amortisation		
Beginning of financial year	**-**	-
Amortisation charge (Note 5)	**151**	-
Currency translation differences	**1**	-
End of financial year	**152**	-
Net book value		
End of financial year	**1,386**	-

Included in the franchise rights are:

- A master franchise right which has indefinite useful life, in accordance to the terms of agreement with the franchisor, in which the Group has the perpetual right to sub-franchise to the franchisee. The carrying amount of this right as at 30 June 2016 was RM808,000 (2015: Nil).

- Finite franchise rights grants the right to use the "Century 21" System and certain "Century 21" marks. The franchise right is amortised over a period of 2 years which is the shorter of the estimated useful lives and periods of contractual rights. The carrying amount of this franchise right as at 30 June 2016 was RM578,000 (2015: Nil).

Amortisation costs of franchise rights is included in the "administrative expenses" in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

18 Intangible assets (continued)

(c) Impairment test for goodwill and indefinite life franchise right

(i) Goodwill on consolidation

Goodwill acquired through business combination is allocated to the Group's cash-generating units ("CGUs") identified according to countries of operation and business segments.

A segment-level summary of the goodwill allocation is as follows:

Group

	Real estate agency		Sub-franchise		Total	
	2016	2015	**2016**	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000
Singapore	**3,053**	-	**-**	-	**3,053**	-
Hong Kong	**-**	-	**278**	-	**278**	-
	3,053	-	**278**	-	**3,331**	-

The impairment test has indicated that the recoverable amount of the CGU for the real estate agency and sub-franchise business segments are RM5,491,000 and RM408,000 higher than its carrying amount respectively. If the discount rate for real estate agency and sub-franchise business segments has increased by 112% and 12% respectively, the recoverable amount would be equal to the carrying amount.

(ii) Indefinite life franchise right

The franchise rights were acquired upon business combination in the current financial year and were valued on the basis of multi-period excess earnings method by an independent valuer. The Group has franchise rights with both finite and indefinite useful life.

The indefinite life franchise right have been allocated to the sub-franchise business segment.

The impairment test has indicated that the recoverable amount of the indefinite life franchise right is RM1,944,000 higher than its carrying amount. If the discount rate has increased by 146%, the recoverable amount would be equal to the carrying amount.

The recoverable amount of a CGU was determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the real estate agency and franchising business in which the CGU operates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

18 Intangible assets (continued)

(d) Key assumptions used for value-in-use calculations

	Real estate agency	Sub-franchise
2016		
Gross margin (budgeted gross margin)	9%	87%
Growth rate (weighted average growth rate used to extrapolate cash flows beyond the budget period)	2%	3%
Discount rate (pre-tax discount rate applied to the pre-tax cash-flow projections)	14%	12%

Management determined budgeted gross margin based on past performance and its expectations of market developments. The weighted average growth rates used were consistent with forecasts included in industry reports. The discount rate used was pre-tax and reflected specific risks relating to the industry.

19 Trade and other payables

	Group		Company	
	2016	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000
Current				
Trade payables				
– non-related parties	**13,389**	-	**-**	-
Other payables				
– non-related parties	**12,131**	43	**-**	43
Accrued operating expenses	**2,352**	147	**918**	147
Deposits received	**472**	-	**-**	-
Advances received	**66**	-	**-**	-
	28,410	190	**918**	190
Non-current				
Other payable				
– non-related parties	**-**	10,579	**-**	10,579

As at 30 June 2015, non-current other payable represents provisions recognised by the Company on its constructive obligation arising from the acquisition of the available-for-sale financial assets.

As at 30 June 2016, due to the change in circumstances, certain terms and conditions of the Agreement (as defined in Note 15) would not be met. The management is of the view that the constructive obligation arising from the acquisition of the available-for-sale financial assets is no longer probable. Consequently, the amount of S$4,000,000 approximately RM 11,926,000 (Note 7) was reversed as at 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

20 Provisions

	Group	
	2016	2015
	RM'000	RM'000
Non-Current		
Provision for reinstatement cost	**492**	-

	Group	
	2016	2015
	RM'000	RM'000
Beginning of financial year	**-**	-
Additions	**487**	-
Currency translation differences	**5**	-
End of financial year	**492**	-

The provision relates to the Group's obligation to reinstate a leased premise to its original condition upon termination of the lease and is based on the Group's experience in similar situations. The Group expects to incur the liability upon termination of the lease.

21 Deferred income tax

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. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	2016	2015
	RM'000	RM'000
Deferred income tax liabilities		
- To be settled after one year	**257**	-

Movement in deferred income tax account is as follows:

	Group	
	2016	2015
	RM'000	RM'000
Fair value of intangible assets		
Beginning of financial year	**-**	-
Acquisitions of subsidiary corporations [Note 29(c)]	**263**	-
Currency translation differences	**(6)**	
End of financial year	**257**	-

The deferred tax liabilities are recognised for the fair value of intangible assets derived upon the acquisition of subsidiary corporations during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

22 Share capital

Group and Company	Number of ordinary shares '000	Amount RM'000
2016		
Beginning of financial year	1,213,184	340,503
Shares issued	2,677,612	45,469
Share issue expenses	-	(1,060)
End of financial year	3,890,796	384,912*
2015		
Beginning of financial year	982,031	328,677
Shares issued	231,153	11,826
End of financial year	1,213,184	340,503#

* *Equivalent to approximately S$161,325,000*
\# *Equivalent to approximately S$146,634,000*

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.

(a) Shares issued during the financial year

(i) 2015 Rights cum Warrant Issue

On 29 June 2015, the Company announced that it would undertake a renounceable rights issue of up to 3,373,458,070 new ordinary shares in the capital of the Company ("2015 Rights Shares") at an issue price of S$0.005 for each 2015 Rights Shares, with up to 3,373,458,070 free detachable warrants ("2015 Warrants"), each 2015 Warrants carrying the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S$0.005 for each new share, on the basis of two (2) 2015 Rights Shares for every one existing share held by the shareholders as at 26 October 2015, and one 2015 Warrants given for every one 2015 Rights Shares subscribed ("2015 Rights cum Warrants Issue"). The 2015 Right cum Warrants Issue was completed during the financial year with the listing and quotation of 2,593,863,776 2015 Rights Shares and 2,593,863,776 2015 Warrants on the SGX-ST on 23 November 2015 and 24 November 2015 respectively.

(ii) Exercise of warrants

The Company issued in aggregate 50,413,748 new shares pursuant to the exercise of warrants:

- 206,969 new shares pursuant to the exercise of 206,969 2013 Warrants; and

- 50,206,779 new shares pursuant to the exercise of 50,206,779 2014 Warrants.

(iii) Acquisition of indirect subsidiary corporation

The Company issued 33,333,333 new shares at an issue price of S$0.03 per share pursuant to the acquisition of a subsidiary corporation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

22 Share capital

(b) Shares issued in prior financial year

(i) Exercise of warrants

The Company issued in aggregate 231,153,443 new shares pursuant to the exercise of warrants:

- 170,675 new shares pursuant to the exercise of 170,675 2013 Warrants; and

- 230,982,768 new shares pursuant to the exercise of 230,982,768 2014 Warrants.

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

22 Share capital (continued)

(c) Warrants

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

	Beginning of financial year	Issued during financial year	Adjustment during financial year	Lapsed during financial year	Exercised during financial year	End of financial year	Current exercise price S$	Expiry date
2016								
2013 Warrants	4,539,029	-	6,227,268	-	(206,969)	10,559,328	0.01	16.07.18
Introducer (SPA) Warrants	68,220,900	-	98,067,543	-	-	166,288,443	0.05	20.03.17
2014 Warrants	367,450,966	-	456,038,343	-	(50,206,779)	773,282,530	0.01	06.05.19
2015 Warrants	-	2,593,863,776	-	-	-	2,593,863,776	0.005	19.11.20
	440,210,895	2,593,863,776	560,333,154	-	(50,413,748)	3,543,994,077		
2015								
2013 Warrants	4,709,704	-	-	-	(170,675)	4,539,029	0.01	16.07.18
Introducer (MOU) Warrants	15,740,300	-	-	(15,740,300)	-	-	0.053	09.12.14
Introducer (SPA) Warrants	68,220,900	-	-	-	-	68,220,900	0.103	20.03.17
2014 Warrants	598,433,734	-	-	-	(230,982,768)	367,450,966	0.02	06.05.19
	687,104,638	-	-	(15,740,300)	(231,153,443)	440,210,895		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

22 Share capital (continued)

(c) Warrants (continued)

(i) 2013 Warrants

The Company had on 17 July 2013 issued 34,670,447 warrants, each warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company, at an exercise price of S$0.05 for each new share pursuant to the 2013 Rights cum Warrants Issue. The 2013 Warrants will expire on 16 July 2018.

As a result of the 2014 Rights cum Warrants Issue and pursuant to the deed poll, adjustments were made to the 2013 Warrants on 7 May 2014 such that:

(a) an additional 3,572,631 warrants were issued to then existing holders of the 2013 Warrants such that the number of additional warrants issued was calculated on the basis of 3.1346 warrants for every 1 existing 2013 Warrant held by each warrantholder; and

(b) the exercise price of each 2013 Warrant was adjusted from S$0.05 to S$0.01.

As a result of the 2015 Rights cum Warrants Issue and pursuant to the deed poll, adjustments were made to the 2013 Warrants on 20 November 2015 such that:

(a) an additional 6,227,268 warrants were issued to then existing holders of the 2013 Warrants such that the number of additional warrants issued was calculated on the basis of 2.4375 warrants for every 1 existing 2013 Warrant held by each warrantholder; and

(b) the exercise price of each 2013 Warrant remains unchanged.

(ii) Introducer (SPA) Warrants

The Company had on 21 March 2014 issued 16,500,000 warrants, each warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company, at an exercise price of S$0.423 for each new share pursuant to a subscription agreement dated 27 February 2014 ("Introducer (SPA) Warrants"). The Introducer (SPA) Warrants will expire on 20 March 2017.

As a result of the 2014 Rights cum Warrants Issue and pursuant to the deed poll, adjustments were made to the Introducer (SPA) Warrants on 7 May 2014 such that:

(a) an additional 51,720,000 warrants were issued to then existing holders of the Introducer (SPA) Warrants such that the number of additional warrants issued was calculated on the basis of 3.1346 warrants for every 1 existing Introducer (SPA) Warrant held by each warrantholder; and

(b) the exercise price of each Introducer (SPA) Warrant was adjusted from S$0.423 to S$0.103.

As a result of the 2015 Rights cum Warrants Issue and pursuant to the deed poll, adjustments were made to the Introducer (SPA) Warrants on 20 November 2015 such that:

(a) an additional 98,067,543 warrants were issued to then existing holders of the Introducer (SPA) Warrants such that the number of additional warrants issued was calculated on the basis of 2.4375 warrants for every 1 existing Introducer (SPA) Warrant held by each warrantholder; and

(b) the exercise price of each Introducer (SPA) Warrant was adjusted from S$0.103 to S$0.05.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

22 Share capital (continued)

(c) Warrants (continued)

(iii) 2014 Warrants

The Company had on 8 May 2014 issued 715,210,185 warrants, each warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company, at an exercise price of S$0.02 for each new share ("2014 Warrants") pursuant to a rights cum warrants issue completed on 7 May 2014 ("2014 Rights cum Warrants Issue"). The 2014 Warrants will expire on 6 May 2019.

As a result of the 2015 Rights cum Warrants Issue and pursuant to the deed poll, adjustments were made to the 2014 Warrants on 20 November 2015 such that:

(a) an additional 456,038,343 warrants were issued to then existing holders of the 2014 Warrants such that the number of additional warrants issued was calculated on the basis of 3.1346 warrants for every 1 existing 2014 Warrant held by each warrantholder; and

(b) the exercise price of each 2014 Warrant was adjusted from S$0.02 to S$0.01.

(iv) 2015 Warrants

The Company had on 20 November 2015 issued 2,593,863,776 2015 Warrants pursuant to the 2015 Rights cum Warrants Issue. The 2015 Warrants will expire on 19 November 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

23 Other reserves

	Group		Company	
	2016	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000
(a) Composition:				
Restructuring reserve	**-**	(201,554)	**-**	-
Fair value reserve	**-**	1,382	**-**	1,382
Translation reserve	**(200)**	-	**-**	-
	(200)	(200,172)	**-**	1,382
(b) Movements:				
(i) Restructuring reserve				
Beginning of financial year	**(201,554)**	(201,554)	**-**	-
Reversal of restructuring reserve on disposal of subsidiary corporations	**201,554**	-	**-**	-
End of financial year	**-**	(201,554)	**-**	-
(ii) Fair value reserve				
Beginning of financial year	**1,382**	-	**1,382**	-
Available-for-sale financial assets				
- Fair value gains (Note 15)	**-**	1,382	**-**	1,382
- Reclassification (Note 7)	**(1,382)**	-	**(1,382)**	-
End of financial year	**-**	1,382	**-**	1,382
(iii) Translation reserve				
Beginning of financial year	**-**	-	**-**	-
Currency translation on consolidation of subsidiary corporations				
- Losses	**(200)**	-	**-**	-
End of financial year	**(200)**	-	**-**	-

Restructuring reserve represents the difference between the cost of investment and the nominal value of the share capital of the subsidiary corporations acquired under common control.

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

24 Commitments

Operating lease commitments – where the Group is a lessee

The Group leases offices from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group	
	2016	2015
	RM'000	RM'000
Not later than one year	**3,440**	1,144
Between one and five years	**3,894**	1,137
	7,334	2,281

25 Contingent liabilities

As at 30 June 2016, the Company has discharged its corporate guarantee issued to a bank for banking facilities of the Group's subsidiary corporation which has been disposed of during the financial year.

As at 30 June 2015, the Company has corporate guarantee amounting to RM18,275,000 issued to a bank for banking facilities of the Group's subsidiary corporation. The Company has evaluated that the fair value of the corporate guarantee is not material and is of the view that the consequential benefits derived from its guarantee to the bank with regards to the subsidiary corporation is minimal.

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

(a) Market risk

(i) Currency risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

26 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Currency risk arises within the entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD"), Hong Kong Dollar ("HKD") and United States Dollar ("USD"). 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:

	RM	SGD	HKD	USD	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 June 2016					
Financial assets					
Cash and cash equivalents	-	20,979	14,505	526	36,010
Financial assets, at fair value through profit or loss	42,744	-	-	-	42,744
Available-for-sale financial assets	-	5,963	-	-	5,963
Trade and other receivables	-	39,460	215	-	39,675
Other current assets	-	607	268	-	875
Intercompany balances	-	11,830	-	-	11,830
	42,744	78,839	14,988	526	137,097
Financial liabilities					
Trade and other payables	-	15,652	12,692	-	28,344
Intercompany balances	-	11,830	-	-	11,830
	-	27,482	12,692	-	40,174
Net financial assets	42,744	51,357	2,296	526	96,923
Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(42,744)	9,771	(2,291)	-	(35,264)
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	**-**	**61,128**	**5**	**526**	**61,659**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

26 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)

	RM	SGD	HKD	USD	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 June 2015					
Financial assets					
Cash and cash equivalents	-	9,629	5	2,351	11,985
Financial assets, at fair value through profit or loss	34,874	-	-	-	34,874
Available-for-sale financial asset	-	17,251	-	-	17,251
Trade and other receivables	-	-	-	5,606	5,606
Other current assets	-	260	-	-	260
	34,874	27,140	5	7,957	69,976
Financial liability					
Other payables	-	(190)	-	-	(190)
Net financial assets	34,874	26,950	5	7,957	69,786
Net financial assets denominated in the respective entities' functional currency	(34,874)	-	-	-	(34,874)
Currency exposure of financial assets net of those denominated in the respective entities' functional currency	**-**	**26,950**	**5**	**7,957**	**34,912**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

26 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:

	RM	SGD	HKD	USD	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 June 2016					
Financial assets					
Cash and cash equivalents	-	19,522	5	515	20,042
Financial assets, at fair value through profit or loss	42,744	-	-	-	42,744
Available-for-sale financial assets	-	5,963	-	-	5,963
Trade and other receivables	-	36,305	-	-	36,305
Other current assets	-	256	-	-	256
	42,744	62,046	5	515	105,310
Financial liability					
Other payables	-	(918)	-	-	(918)
Net financial assets	42,744	61,128	5	515	104,392
Net financial assets denominated in the Company's functional currency	(42,744)	-	-	-	(42,744)
Currency exposure of financial assets net of those denominated in the Company's functional currency	**-**	**61,128**	**5**	**515**	**61,648**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

26 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)

	RM	SGD	HKD	USD	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 June 2015					
Financial assets					
Cash and cash equivalents	-	9,629	5	2,351	11,985
Financial assets, at fair value through profit or loss	34,874	-	-	-	34,874
Available-for-sale financial asset	-	17,251	-	-	17,251
Trade and other receivables	-	-	-	5,606	5,606
Other current assets	-	260	-	-	260
	34,874	27,140	5	7,957	69,976
Financial liability					
Other payables	-	(190)	-	-	(190)
Net financial assets	34,874	26,950	5	7,957	69,786
Net assets financial denominated in the Company's functional currency	(34,874)	-	-	-	(34,874)
Currency exposure of financial assets net of those denominated in the Company's functional currency	-	26,950	5	7,957	34,912

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

26 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the SGD and USD change against RM by 5% (2015: 9%) and 5% (2015: 18%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset position will be as follows:

	2016	2015
	RM'000	RM'000
Group		
SGD against RM		
- Strengthened	**2,537**	2,013
- Weakened	**(2,537)**	(2,013)
USD against RM		
- Strengthened	**22**	1,189
- Weakened	**(22)**	(1,189)
Company		
SGD against RM		
- Strengthened	**2,537**	2,013
- Weakened	**(2,537)**	(2,013)
USD against RM		
- Strengthened	**21**	1,189
- Weakened	**(21)**	(1,189)

(ii) Price risk

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

If price for the underlying equity securities listed in Malaysia has changed by 5% (2015: 5%) with all other variables including tax rate being held constant, the effects on loss after tax would have been:

	2016	2015
	RM'000	RM'000
Group and Company		
- Decreased by	**2,137**	1,744
- Increased by	**(2,137)**	(1,744)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

26 Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets and liabilities, 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 counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade and other receivables and financial assets, at fair value through profit or loss. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining cash deposits where appropriate to mitigate credit risk. For other financial assets, 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 at operating entity level based on on-going credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at operating entity level by the respective management.

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

	Group	
	2016	2015
	RM'000	RM'000
Corporate guarantees provided to a bank on subsidiary corporation's banking facilities (Note 25)	**-**	18,275

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

	Group		Company	
	2016	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000
British Virgin Islands	**-**	5,606	**-**	5,606
China	**16,915**	-	**16,915**	-
Hong Kong	**215**	-	**-**	-
Malaysia	**8,750**	-	**8,750**	-
Singapore	**13,795**	-	**10,640**	-
	39,675	5,606	**36,305**	5,606

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially debtors with a good collection track record with the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

26 Financial risk management (continued)

(b) Credit risk (continued)

Financial assets that are past due and/or impaired

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

The age analysis of trade and other receivables past due but not impaired is as follows:

	Group		Company	
	2016	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000
Past due < 3 months	**4,820**	-	**3,210**	-
Past due 3 to 6 months	**191**	-	**191**	-
	5,011	-	**3,401**	-

The carrying amount of trade and other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2016	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000
Past due < 3 months	**4,820**	-	**3,210**	-
Past due 3 to 6 months	**191**	-	**191**	-
Past due > 6 months	**5,589**	-	**5,589**	-
	10,600	-	**8,990**	-
Less: Allowance for impairment	**(5,589)**	-	**(5,589)**	-
	5,011	-	**3,401**	-
Beginning of financial year	**-**	-	**-**	-
Allowance made (Note 5)	**5,589**	-	**5,589**	-
End of financial year	**5,589**	-	**5,589**	-

The Group and the Company believe that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analyses of customer credit risk, including underlying customers' credit ratings, when available.

(c) Liquidity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

26 Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year	2 to 5 years	Over 5 years	Total
	RM'000	RM'000	RM'000	RM'000
Group				
At 30 June 2016				
Trade and other payables	28,344	-	-	28,344
At 30 June 2015				
Trade and other payables	190	-	-	190
Company				
At 30 June 2016				
Trade and other payables	918	-	-	918
At 30 June 2015				
Trade and other payables	190	-	-	190
Financial guarantee	18,275	-	-	18,275
	18,465	-	-	18,465

(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 from 2014, are to maintain gearing ratios within 30% to 40%.

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

	Group		Company	
	2016	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000
Net debt	**(7,600)**	(1,216)	**(19,124)**	(1,216)
Total equity	**102,582**	105,977	**104,493**	69,979
Total capital	**94,982**	104,761	**85,369**	68,763
Gearing ratio	**-***	-*	**-***	-*

* *Not meaningful*

The Group and the Company have no externally imposed capital requirements for the financial years ended 30 June 2016 and 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

26 Financial risk management (continued)

(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 or the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

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

Group and Company	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
2016				
Assets				
Financial assets, at fair value through profit or loss	42,744	-	-	42,744
Available-for-sale financial assets	-	-	5,963	5,963
	42,744	-	5,963	48,707
2015				
Assets				
Financial assets, at fair value through profit or loss	34,874	-	-	34,874
Available-for-sale financial assets	-	-	17,251	17,251
	34,874	-	17,251	52,125

There were no transfers between Levels 1 and 2 during the year.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

26 Financial risk management (continued)

(e) Fair value measurements (continued)

Level 3 fair value measurement

As at 30 June 2016, in view that management has the intention to dispose of the financial asset, the fair value of the financial assets is determined based on the bid price from the potential buyer. If the bid price had been 5% lower than the potential buyer's bid price, the Group and Company would have recognised a further impairment of RM284,000.

In prior financial year, the valuation technique used to determine the fair value of these financial assets is discounted cash flow method. The unobservable inputs used in the valuation include weighted average cost of capital and gold price. The weighted average cost of capital used is 15% taking into consideration the cost of equity, cost of debt and tax rate. The gold price used is spot rate as at 30 June 2015.

The following table presents the changes in level 3 instruments:

Group and Company	**Available-for-sale financial assets**
	RM'000
2016	
Beginning of financial year	**17,251**
Impairment loss on financial assets	**(11,288)**
End of financial year	**5,963**

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Notes 12 and 15 to the financial statements, except for the following:

	Group		Company	
	2016	2015	**2016**	2015
	RM'000	RM'000	**RM'000**	RM'000
Loans and receivables	**76,560**	17,851	**56,603**	17,851
Financial liabilities at amortised cost	**28,344**	190	**918**	190

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

27 Related party transactions

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

(a) Key management personnel compensation

	Group	
	2016	2015
	RM'000	RM'000
Wages and salaries	**2,326**	3,701
Employer's contribution to defined contribution plans	**79**	387
Directors' fee	**659**	590
	3,064	4,678
Comprises amounts paid to:		
Directors		
- Wages and salaries	**1,645**	2,561
- Employer's contribution to defined contribution plans	**64**	245
- Directors' fee	**659**	590
	2,368	3,396
Other key management personnel	**696**	1,282
	3,064	4,678

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

28 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 ("CEO"), Chief Financial Officer ("CFO") and the heads of each business segment.

The management team considers the business from both a geographic and business segment perspective. The Group has 3 reportable operating segments: investment, sub-franchise and real estate agency. 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 agency: Provision of real estate agency services such as corporate and residential leasing, commercial and industrial sales, and residential sales and resales services
c) Sub-franchise: Provision of real estate franchise rights to other real estate agencies

The segment information provided to the management team for the reportable segments for the financial year ended 30 June 2016 are as follows:

	Singapore		Hong Kong	
	Investment	Real estate agency	Sub-franchise	Total
Group	RM'000	RM'000	RM'000	RM'000
2016				
Revenue from external parties	218	24,365	2,161	26,744
Gross profit	218	1,688	1,874	3,780
Other (losses)/gain, net	(230,138)	12	319	(229,807)
Distribution and marketing expenses	-	(261)	-	(261)
Administrative expenses	(14,620)	(3,171)	(2,233)	(20,024)
Loss before income tax	(244,540)	(1,732)	(40)	(246,312)
Income tax credit	9	-	-	9
Total loss for the financial year	(244,531)	(1,732)	(40)	(246,303)
Depreciation	(45)	(221)	(7)	(273)
Amortisation	-	(151)	-	(151)
Segment assets	94,778	21,126	16,100	132,004
Segment assets includes				
Additions to:				
- Property, plant and equipment	22	506	2	530
- Intangible assets				
- Franchise rights	-	711	865	1,576
- Goodwill	-	3,011	297	3,308
Segment liabilities	924	15,416	13,081	29,421

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

28 Segment information (continued)

	Singapore		Hong Kong	
	Investment	Real estate agency	Sub-franchise	Total
Group	RM'000	RM'000	RM'000	RM'000
2015				
Revenue from external parties	193	-	-	193
Gross profit	193	-	-	193
Other gains, net	3,847	-	-	3,847
Administrative expenses	(6,229)	-	-	(6,229)
Loss before income tax	(2,189)	-	-	(2,189)
Income tax expense	(39)	-	-	(39)
Total loss for the financial year	(2,228)	-	-	(2,228)
Depreciation	(43)	-	-	(43)
Segment assets	70,091	-	-	70,091
Segment assets includes Additions to:				
- Property, plant and equipment	14	-	-	14
Segment liabilities	10,812	-	-	10,812

Geographical information

The Group's three 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 the provision of real estate agency services and investment holding;
- Hong Kong — The operations in this area are principally the provision of franchise services.

	Group	
	2016	2015
	RM'000	RM'000
Non-current assets		
Singapore	**5,126**	64
Hong Kong	**1,092**	-

Revenue from major services

There are no single customer that contributed to 10% or more of the revenue for the financial years ended 30 June 2016 and 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

29 Business Combination

On 21 October 2015, 2 February 2016 and 10 March 2016 (the "acquisition date"), the Group acquired 100% equity interest in Century 21 Hong Kong Limited ("C21 HKG"), Global Alliance Property Pte Ltd ("GAP") and Century 21 (AsPac) Realty Pte Ltd ("C21 AsPac") respectively. Upon the acquisition, C21 HKG, GAP and C21 AsPac became subsidiary corporations of the Group. C21 HKG is principally engaged in the provision of real estate franchise service in Hong Kong and Macau. The principal activities of GAP and C21 AsPac is to render real estate services. The acquisitions represent a good opportunity for the Group to enter into the real estate agency business at an attractive price amid the slowdown in the housing markets in Hong Kong, Macau and Singapore.

Details of the considerations paid, the assets acquired and liabilities assumed and the effects on cash flows of the Group, at the acquisition dates, are as follows:

(a) Purchase considerations

	Century 21 Hong Kong Limited	Global Alliance Property Pte Ltd	Century 21 (AsPac) Realty Pte Ltd	Total
	RM'000	RM'000	RM'000	RM'000
Purchase considerations				
- Issue of new ordinary shares as consideration for acquisition of indirect subsidiary corporations [Note 22(a)(iii)]	3,275	-	-	3,275
- Cash paid	-	2,906	599	3,505
Consideration transferred for the business	3,275	2,906	599	6,780

(b) Effects on cash flows of the Group

	Century 21 Hong Kong Limited	Global Alliance Property Pte Ltd	Century 21 (AsPac) Realty Pte Ltd	Total
	RM'000	RM'000	RM'000	RM'000
Cash paid (as above)	-	2,906	599	3,505
Less: cash and cash equivalents in subsidiary corporations acquired	(4,890)	(348)	(216)	(5,454)
Cash (inflow)/outflow on acquisition	(4,890)	2,558	383	(1,949)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

29 Business Combination (continued)

(c) Identifiable assets acquired and liabilities assumed at fair value

	Century 21 Hong Kong Limited	Global Alliance Property Pte Ltd	Century 21 (AsPac) Realty Pte Ltd	Total
	RM'000	RM'000	RM'000	RM'000
Identifiable assets acquired and liabilities assumed				
Property, plant and equipment (Note 17)	11	1,111	202	1,324
Franchise rights (included in intangibles) [Note 18(b)]	866	710	-	1,576
Trade and other receivables	281	5,793	464	6,538
Other current assets	38	1,081	-	1,119
Cash and cash equivalents	4,890	348	216	5,454
	6,086	9,043	882	16,011
Trade and other payables	(2,691)	(7,874)	(1,437)	(12,002)
Current tax liabilities [Note 8(a)]	(274)	-	-	(274)
Deferred tax liabilities (Note 21)	(143)	(120)	-	(263)
Total liabilities	(3,108)	(7,994)	(1,437)	(12,539)
Total identifiable net assets	2,978	1,049	(555)	3,472
Add: Goodwill [Note 18(a)]	297	1,857	1,154	3,308
Consideration transferred for the business	3,275	2,906	599	6,780

(d) Acquisition-related costs

Acquisition-related costs of RM399,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(e) Acquired receivables

The fair value and gross contractual amount of trade and other receivables is RM6,538,000.

(f) Goodwill

The goodwill arising from the acquisitions of the subsidiary corporations is attributable to the assembled workforce, the number of sale agents and franchisees and the track record in real estate industry in Singapore and Hong Kong.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

29 Business Combination (continued)

(g) Revenue and profit contribution

Century 21 Hong Kong Limited contributed revenue of RM2,161,000 and net loss of RM40,000 for the period from 21 October 2015 to 30 June 2016. Global Alliance Property Pte Ltd contributed revenue of RM21,873,000 and net loss of RM1,414,000 for the period from 2 February 2016 to 30 June 2016. Century 21 (AsPac) Realty Pte Ltd contributed revenue of RM2,492,000 and net loss of RM285,000 for the period from 10 March 2016 to 30 June 2016.

Had Century 21 Hong Kong Limited, Global Alliance Property Pte Ltd and Century 21 (AsPac) Realty Pte Ltd been consolidated from 1 July 2016, consolidated revenue and consolidated loss for the financial year ended would have been RM46,226,000 and RM259,961,000 respectively.

30 Events occurring after balance sheet date

Proposed acquisition of 中房联合置业集团有限公司

On 11 January 2016, the Company entered into a conditional sale and purchase agreement (the "S&P Agreement") with 中房集团联合投资股份有限公司 ("中房联合投资") and 中房联合集团企业管理有限公司 ("中房企业管理") (together, the "Vendors") whereby the Company will acquire 100% of the rights and interests of and in 中房联合置业集团有限公司 (the "Target Company"), being the entire registered and paid-up capital of the Target Company (the "Sale Interests"), from the Vendors (the "Proposed Acquisition").

The Target Company is a company incorporated in China. The Target Company and its subsidiaries (the "Target Group") are real estate developers in China and are pioneers in real estate development in China.

The aggregate consideration for the purchase of the Sale Interests shall be RMB150,000,000 (equivalent to S$33,333,333 calculated on the basis of the agreed exchange rate of RMB4.5 = S$1.00) (the "Aggregate Consideration").

The Proposed Acquisition, if completed, is expected to result in a "reverse take-over" of the Company under Part VIII, Chapter 10 of the Catalist Rules issued by Singapore Exchange Ltd ("SGX").

As announced on 8 July 2016, the Long Stop Date of the S&P Agreement is extended to 10 January 2017.

31 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group and the Company's accounting periods beginning on or after 1 July 2016 or later periods and which the Group and the Company have not early adopted:

Effective for annual periods beginning on or after 1 January 2016
- FRS 114 *Regulatory Deferral Accounts*
- Amendments to FRS 1 *Disclosure Initiative*
- Amendments to FRS 27 *Equity Method in Separate Financial Statements*
- Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 16 and FRS 41 *Agriculture: Bearer Plants*
- Amendments to FRS 111 *Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities Applying the Consolidation Exception*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

31 New or revised accounting standards and interpretations (continued)

Effective for annual periods beginning on or after 1 January 2016 (continued)

- Improvements to FRSs (November 2014)
  - Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*
  - Amendments to FRS 107 *Financial Instruments: Disclosures*
  - Amendment to FRS 19 *Employee Benefits*
  - Amendment to FRS 34 *Interim Financial Reporting*

Effective for annual periods beginning on or after 1 January 2017

- Amendments to FRS 7 *Disclosure Initiatives*
- Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*

Effective for annual periods beginning on or after 1 January 2018

- FRS 109 *Financial Instruments*
  - Illustrative Examples
  - Implementation Guidance
  - Amendments to Guidance on Other Standards
- FRS 115 *Revenue from Contracts with Customers*
  (The effective date of FRS 115 *Revenue from Contracts with Customers* has been deferred from 1 January 2017 to 1 January 2018 via Amendments to FRS 115 Effective date of FRS 115)
- Amendments to FRS 115 Clarifications to FRS 115 *Revenue from Contracts with Customers*

Effective for annual periods beginning on or after 1 January 2019

- FRS 116 *Leases*
  - Illustrative Examples
  - Amendments to Guidance on Other Standards
- Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  (The expected date of these Amendments had been revised from 1 January 2016 to a date to be determined by ASC in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.)

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

STATISTICS OF SHAREHOLDINGS

AS AT 16 SEPTEMBER 2016

SHAREHOLDERS INFORMATION

Share Capital

Issued and fully paid-up capital	:	$163,686,293
Number of shares issued	:	3,890,795,664
Number of treasury shares	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

Distribution of Shareholders by Size of Shareholdings

Size of Shareholders	No. of Shareholders	%	No. of Shares	%
1 - 99	2,676	65.60	34,612	0.00
100 - 1,000	378	9.27	134,890	0.00
1,001 - 10,000	135	3.31	745,234	0.02
10,001 - 1,000,000	697	17.09	189,248,658	4.87
1,000,001 and above	193	4.73	3,700,632,270	95.11
TOTAL	**4,079**	**100.00**	**3,890,795,664**	**100.00**

Twenty Largest Shareholders

		No. of Shares	%
1.	Raffles Nominees (Pte) Ltd	480,742,878	12.35
2.	Citibank Nominees Singapore Pte Ltd	425,738,607	10.94
3.	Hano Maeloa	307,118,154	7.89
4.	Phillip Securities Pte Ltd	183,022,379	4.70
5.	UOB Kay Hian Pte Ltd	163,719,047	4.21
6.	ABN AMRO Nominees Singapore Pte Ltd	136,579,500	3.51
7.	Maybank Kim Eng Securities Pte Ltd	113,475,899	2.92
8.	DBS Nominees Pte Ltd	100,147,795	2.57
9.	Ng Kai Man	99,999,999	2.57
10.	Ge Jianming	99,370,300	2.55
11.	DBS Vickers Securities (S) Pte Ltd	71,031,591	1.83
12.	Goh Yeo Hwa	66,934,000	1.72
13.	Teo Choon Leng Jeffrey	64,000,000	1.64
14.	Choo Yeow Ming	62,910,000	1.62
15.	OCBC Securities Private Ltd	62,128,054	1.60
16.	Leong Fook Weng	52,798,156	1.36
17.	Goh Yew Lay	51,500,000	1.32
18.	Faizal Bin Ahmad Stalin	46,800,000	1.20
19.	Heng Wah Chong (Wang Hezong)	46,300,000	1.19
20.	Goh Yeu Toh	46,265,000	1.19
TOTAL		**2,680,581,359**	**68.88**

STATISTICS OF SHAREHOLDINGS

AS AT 16 SEPTEMBER 2016

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

	Direct Interest		Deemed Interest	
Name of Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**
Choo Yeow Ming [(1)(2)]	605,645,532	15.57	352,479,500	9.06
Hano Maeloa	307,118,154	7.89	-	-
Goh Yeo Hwa [(3)]	221,341,000	5.69	-	-

(1) Choo Yeow Ming's direct interest of 542,735,532 shares are held through nominees.

(2) By virtue of the Provision of Section 7 of the Companies Act (Cap.50), Choo Yeow Ming is deemed to have an interest in shares held by Summers Overseas Limited, Seymour Pacific Limited and Orient Achieve Limited. These deemed interests are held through nominees.

(3) Goh Yeo Hwa's direct interest of 154,407,000 shares are held through nominees.

Percentage of Shareholdings in Hands of Public

Based on information available to the Company, as at 16 September 2016, the percentage of shareholdings of the Company held in the hands of the public is approximately 62% and therefore Rule 723 of the Listing Manual is complied with.

STATISTICS OF SHAREHOLDINGS

AS AT 16 SEPTEMBER 2016

WARRANT HOLDERS' INFORMATION (W180716)

Distribution of Warrant Holders by Size of Warrant Holdings

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
1 - 99	4	2.96	153	0.00
100 - 1,000	17	12.59	9,958	0.09
1,001 - 10,000	34	25.19	265,827	2.52
10,001 - 1,000,000	78	57.78	3,825,746	36.23
1,000,001 and above	2	1.48	6,457,644	61.16
TOTAL	**135**	**100.00**	**10,559,328**	**100.00**

Twenty Largest Warrant Holders

		No. of Warrants	%
1.	Phillip Securities Pte Ltd	5,197,614	49.22
2.	Raffles Nominees (Pte) Ltd	1,260,030	11.93
3.	Kam Keng Seng	539,175	5.11
4.	Chua Eng Lee	403,123	3.82
5.	BK Holdings Pte Ltd	302,342	2.86
6.	Ooi Kim Seng	251,952	2.39
7.	Tan Eng Lian	248,625	2.35
8.	OCBC Securities Private Ltd	209,956	1.99
9.	Koh Nai Wei Adrian	141,092	1.34
10.	Chua Chai Tiang	109,850	1.04
11.	Yeo Siew Lan	80,322	0.76
12.	Lee Chee Meng	60,428	0.57
13.	Tan Ih Hian	60,276	0.57
14.	United Overseas Bank Nominees Pte Ltd	48,724	0.46
15.	Kwan Kar Wah	45,515	0.43
16.	Wong Ah Ai	40,491	0.38
17.	Lim Kian Lye	40,301	0.38
18.	Neo Nue Hong	40,199	0.38
19.	Wong Mui Fong	40,199	0.38
20.	Low Song Kim	40,179	0.38
TOTAL		**9,160,393**	**86.74**

STATISTICS OF SHAREHOLDINGS

AS AT 16 SEPTEMBER 2016

WARRANT HOLDERS' INFORMATION (W190506)

Distribution of Warrant Holders by Size of Warrant Holdings

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
1 - 99	6	1.31	244	0.00
100 - 1,000	5	1.10	2,032	0.00
1,001 - 10,000	127	27.79	576,524	0.07
10,001 - 1,000,000	262	57.33	51,319,727	6.64
1,000,001 and above	57	12.47	721,384,003	93.29
TOTAL	**457**	**100.00**	**773,282,530**	**100.00**

Twenty Largest Warrant Holders

		No. of Warrants	%
1.	Hano Maeloa	187,632,083	24.26
2.	Phillip Securities Pte Ltd	93,269,504	12.06
3.	Citibank Nominees Singapore Pte Ltd	75,611,250	9.78
4.	Leong Fook Weng	49,290,418	6.37
5.	UOB Kay Hian Pte Ltd	38,976,502	5.04
6.	Kong Hongmei	26,444,437	3.42
7.	Ong Hock Khiow	23,887,500	3.09
8.	OCBC Securities Private Ltd	18,955,858	2.45
9.	Leow Fan Siew	17,062,500	2.21
10.	Raffles Nominees (Pte) Ltd	14,351,998	1.86
11.	Liew Pok Tze	12,187,500	1.58
12.	Maybank Kim Eng Securities Pte Ltd	12,021,361	1.55
13.	Oei Siu Hoa @ Sukmawati Widjaja	11,902,312	1.54
14.	Tok Boon Seong	11,610,058	1.50
15.	Quek Bek Choo	9,871,875	1.28
16.	Lim Hua Yong	8,531,250	1.10
17.	Kwan Kar Wah	7,800,000	1.01
18.	Tan Peck Cheng	6,881,062	0.89
19.	DBS Nominees Pte Ltd	6,824,587	0.88
20.	Lee Ming Hwee Albert (Li Minhui)	6,193,650	0.80
TOTAL		**639,305,705**	**82.67**

STATISTICS OF SHAREHOLDINGS

AS AT 16 SEPTEMBER 2016

WARRANT HOLDERS' INFORMATION (W201119)

Distribution of Warrant Holders by Size of Warrant Holdings

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
1 - 99	18	2.89	1,623	0.00
100 - 1,000	14	2.25	10,314	0.00
1,001 - 10,000	24	3.86	146,700	0.01
10,001 - 1,000,000	408	65.60	122,683,246	4.73
1,000,001 and above	158	25.40	2,471,021,893	95.26
TOTAL	**622**	**100.00**	**2,593,863,776**	**100.00**

Twenty Largest Warrant Holders

		No. of Warrants	%
1.	Raffles Nominees (Pte) Ltd	317,624,452	12.25
2.	Hano Maeloa	204,745,436	7.89
3.	ABN AMRO Nominees Singapore Pte Ltd	202,053,000	7.79
4.	Goh Yeo Hwa	168,894,100	6.51
5.	Citibank Nominees Singapore Pte Ltd	157,398,000	6.07
6.	UOB Kay Hian Pte Ltd	93,858,946	3.62
7.	Phillip Securities Pte Ltd	91,610,976	3.53
8.	DBS Nominees Pte Ltd	67,319,897	2.60
9.	Ng Kai Man	66,666,666	2.57
10.	Ge Jianming	62,271,800	2.40
11.	Goh Yew Lay	51,500,000	1.99
12.	Choo Yeow Ming	41,940,000	1.62
13.	Teo Choon Leng Jeffrey	41,000,000	1.58
14.	OCBC Securities Private Ltd	33,145,755	1.28
15.	Heng Wah Chong (Wang Hezong)	31,300,000	1.21
16.	Goh Yeu Toh	31,265,000	1.21
17.	Diana Sng Siew Khim	29,787,500	1.15
18.	Leong Fook Weng	28,532,104	1.10
19.	Buona Vista Constructions Pte Ltd	23,100,000	0.89
20.	Lim Tchen Nan	22,146,000	0.85
TOTAL		**1,766,159,632**	**68.11**

STATISTICS OF SHAREHOLDINGS

AS AT 16 SEPTEMBER 2016

WARRANT HOLDERS' INFORMATION (UNLISTED WARRANTS EXPIRING 20 MARCH 2017)

Distribution of Warrant Holders by Size of Warrant Holdings

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
1 - 99	-	-	-	-
100 - 1,000	-	-	-	-
1,001 - 10,000	-	-	-	-
10,001 - 1,000,000	-	-	-	-
1,000,001 and above	1	100.00	166,288,443	100.00
TOTAL	**1**	**100.00**	**166,288,443**	**100.00**

Twenty Largest Warrant Holders

		No. of Warrants	%
1.	Sim Chek Tong	166,288,443	100.00
TOTAL		**166,288,443**	**100.00**

NOTICE OF THE ANNUAL GENERAL MEETING

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No. 200609901H)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("AGM") of the Company will be held at Antica I, Level 2, Orchard Parade Hotel, 1 Tanglin Road, Singapore 247905 on Monday, 31 October 2016 at 11.00 a.m.for the following purposes:

As Ordinary Business

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2016 together with the Auditor's Report thereon. Resolution 1

2. To re-elect Mr Chew Soo Lin, a Director retiring by rotation pursuant to Article 91 of the Company's Constitution. [See Explanatory Note 1] Resolution 2

3. To re-elect Mr Yap Siean Sin, a Director retiring by rotation pursuant to Article 91 of the Company's Constitution. [See Explanatory Note 2] Resolution 3

4. To approve payment of Directors' Fees of S$220,000 for the financial year ending 30 June 2017, payment to be made quarterly in arrears. Resolution 4

5. To re-appoint Messrs Nexia TS Public Accounting Corporation as Auditors of the Company for the financial year ending 30 June 2017 and to authorise the Directors to fix their remuneration. Resolution 5

As Special Business

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

6. **"SHARE ISSUE MANDATE**

That pursuant to Section 161 of the Companies Act, Cap. 50, and Rule 806 of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) Listing Manual Section B: Rules of Catalist (**"Catalist Rules"**), authority be and is hereby given to the Directors of the Company to allot and issue shares whether by way of rights, bonus or otherwise and make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into shares, from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:

(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) 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) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

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

(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 3] Resolution 6

7. To transact any other business that may properly be transacted at an AGM.

By Order of the Board

Yap Wai Ming
Company Secretary

Singapore, 14 October 2016

Explanatory Notes

(1) **Resolution 2** – Mr Chew Soo Lin, upon re-election as a Director of the Company, will remain as an Independent Director, Chairman of the Remuneration Committee and a member of the Audit and Remuneration Committees of the Company and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

(2) **Resolution 3** – Mr Yap Siean Sin, upon re-election as a Director of the Company, will remain as an Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee of the Company and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

(3) **Resolution 6** is to 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) 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) in the capital of the Company at the time of the passing of Resolution 6, after adjusting for (i) new shares arising from the conversion or exercise of the Instruments; (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of this Resolution provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the AGM of the Company is entitled to appoint not more than two proxies to attend in his stead. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each proxy.

2. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at the Annual General Meeting. A Relevant Intermediary is either:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
   (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or
   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy must be deposited at the Office of the Share Registrar of the Company, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544 not less than 48 hours before the time appointed for holding of the AGM. 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 lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

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 Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (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.

This page has been intentionally left blank

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 200609901H)

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT:
1. A Relevant Intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 4 for the definition of "Relevant Intermediary").
2. For investors who have used their CPF monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to beused by them.
3. Please read the notes to the Proxy Form.

I/We, ______________________ (name) of ______________________
(address) being a member/members of ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED (the **"Company"**), hereby appoint :

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

and/or (delete as appropriate)

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

or failing *him/her, the Chairman of the Annual General Meeting of the Company, as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at Antica I, Level 2, Orchard Parade Hotel, 1 Tanglin Road, Singapore 247905 on Monday, 31 October 2016 at 11.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting)

Ordinary Resolutions	**ORDINARY BUSINESS**	**For**	**Against**
Resolution 1	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2016, together with the Auditors' Report thereon.		
Resolution 2	To re-elect Mr Chew Soo Lin, a Director retiring pursuant to Article 91 of the Company's Constitution.		
Resolution 3	To re-elect Mr Yap Siean Sin, a Director retiring pursuant to Article 91 of the Company's Constitution.		
Resolution 4	To approve payment of Directors' Fees for financial year ending 30 June 2017.		
Resolution 5	To re-appoint Messrs Nexia TS Public Accounting Corporation as Auditor of the Company for the financial year ending 30 June 2017 and to authorize the directors to fix their remuneration.		
	SPECIAL BUSINESS		
Resolution 6	To authorise the Directors to allot shares pursuant to Section 161 of the Companies Act, Cap. 50.		

Date this ________ day of ________________ 2016

Total Number of Shares held in :	
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of members(s) or Common Seal

IMPORTANT : PLEASE READ THE NOTES OVERLEAF

NOTES :

1. Please insert the total number of Shares you hold. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the register of Shareholders of our Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the register of Shareholders, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the register of Shareholders. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares in the capital of the Company held by you.

2. A member of the Company who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote on his behalf at the annual general meeting. The proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, the member must specify the proportions of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise rights attached to a different share or shares held by him (which number or class of shares shall be specified).

5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544, not less than 48 hours before the time appointed for holding of the Annual General Meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.

7. 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.

8. 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 Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the 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 Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:-

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (b) a capital markets services licence holder which provides custodial services for securities and holds shares in that capacity; and

   (c) Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 October 2016.

OUR BUSINESSES

SINGAPORE

Global Alliance Property Pte. Ltd.
3 Bishan Place
#06-03 CPF Bishan Building
Singapore 579838
Tel: (65) 6866 0707
Fax: (65) 6866 0700
Email: contactus@ga.com.sg

HONG KONG & MACAU

Century 21 Hong Kong Limited
833 Cheung Sha Wan Road
Room 609-610 Cheung Sha Wan Plaza Tower 2
Kowloon
Hong Kong
Tel: (852) 2869 7221
Fax: (852) 2509 3156
Email: enquiry@century21-hk.com

ASIA-PACIFIC STRATEGIC
INVESTMENTS LIMITED

1 Scotts Road
#20-07 Shaw Centre
Singapore 228208
Tel : +(65) 6735 4118
Fax: +(65) 6735 6443
www.asiastrategic.com.sg