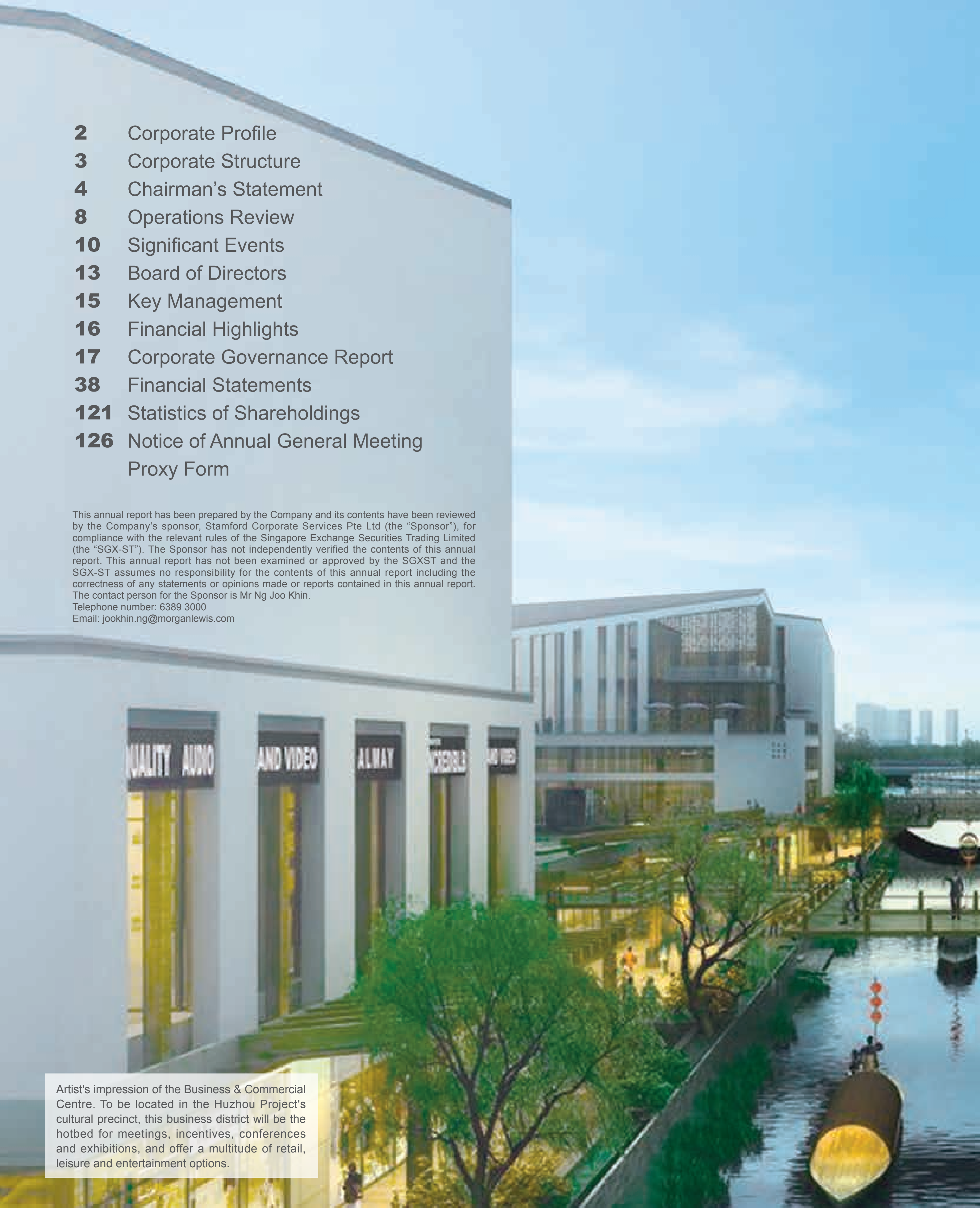
ASIA-PACIFIC STRATEGIC
INVESTMENTS LIMITED

BREAKING NEW GROUND
SHAPING LIFESTYLES

Annual Report 2017

CONTENTS

This annual report has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Stamford Corporate Services Pte Ltd (the “Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Sponsor has not independently verified the contents of this annual report. This annual report has not been examined or approved by the SGXST and the SGX-ST assumes no responsibility for the contents of this annual report including the correctness of any statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Mr Ng Joo Khin.
Telephone number: 6389 3000
Email: jookhin.ng@morganlewis.com



Artist's impression of the Business & Commercial Centre. To be located in the Huzhou Project's cultural precinct, this business district will be the hotbed for meetings, incentives, conferences and exhibitions, and offer a multitude of retail, leisure and entertainment options.

BREAKING NEW GROUND, SHAPING LIFESTYLES

Our future lies in real estate, a sector we identified three years ago where we would channel our efforts and resources to establish a vibrant and thriving sustainable business in Asia.

We have since built a growing real estate agency business in Singapore and Southeast Asia through Global Alliance Property Pte. Ltd. And we shall soon be *breaking new ground* to carve our name as a distinctive real estate developer in Huzhou, an ancient city in China's Zhejiang province.

We are all set to kick off the Huzhou Project – a premier integrated development that will embody and display the region's rich and unique cultural heritage through a myriad of leisure, resort, commercial, healthcare and ecological amenities. In doing so, we have set our sights on *shaping lifestyles*, offering a fresh take on the way people live, work and play.

CORPORATE **PROFILE**

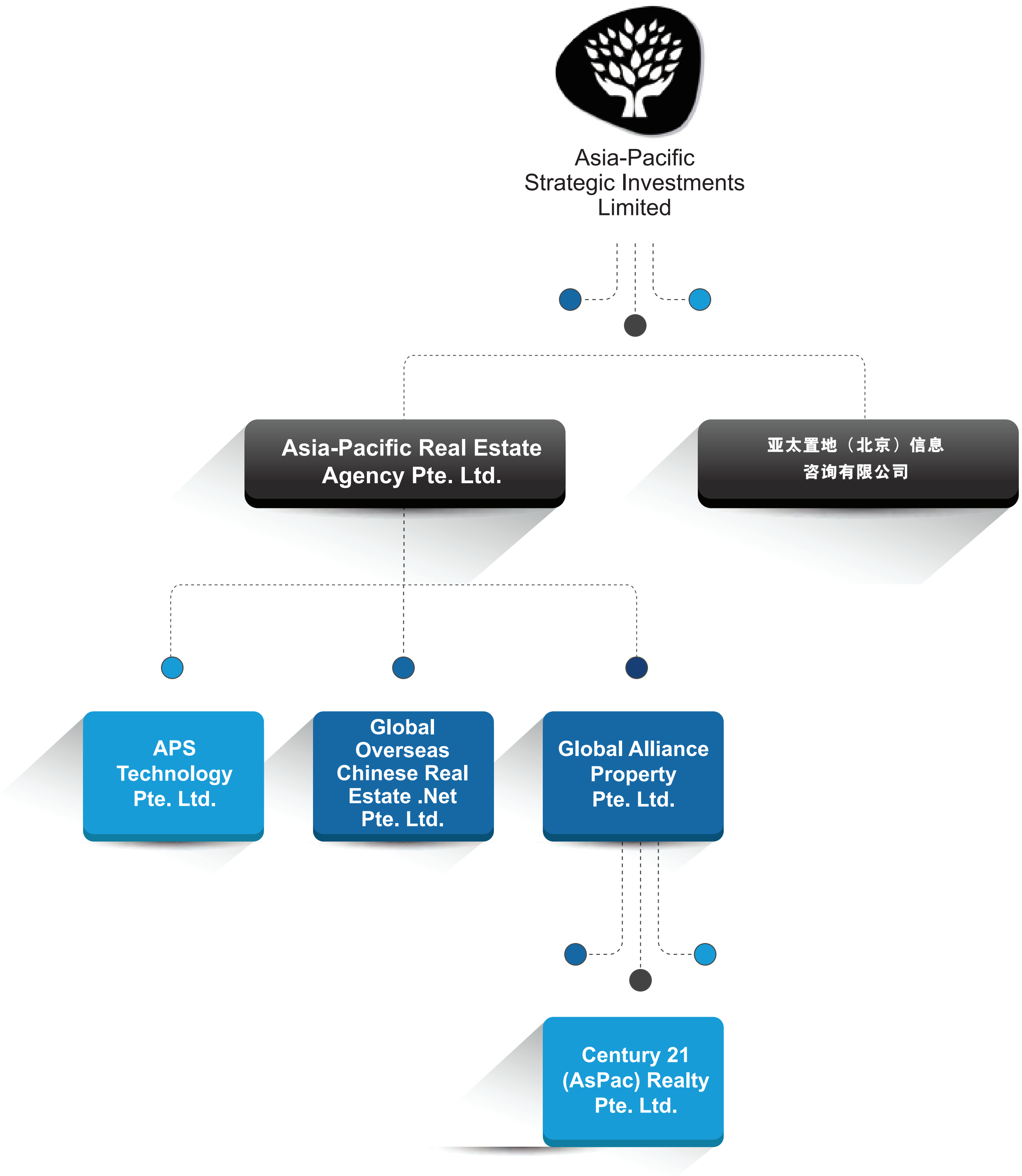
Asia-Pacific Strategic Investments Limited ("APSIL" or the "Group") is moving quickly ahead with its strategy to become a regional real estate development and agency group.

Today, it has a Singapore real estate agency business, Global Alliance Property Pte. Ltd., with a pool of about 650 real estate agents that operates under the well-established Century 21 franchise.

In a move that will see APSIL add real estate development as a sustainable business division and expand its reach into China's growing property sector, the Group recently acquired two property companies in Huzhou in Zhejiang province. The Huzhou Project is a mixed development of prime residential and commercial properties with a variety of innovative leisure and wellness-related choices that will transform the area into a lifestyle hub.

APSIL also 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.

CORPORATE **STRUCTURE**



BREAKING NEW GROUND, SHAPING LIFESTYLES

DEAR SHAREHOLDERS,

In order to seek a diversified and sustainable earnings stream for Asia-Pacific Strategic Investments Limited ("APSIL" or the "Group"), we have continued to look out for promising opportunities across the region.

In this respect, at the Extraordinary General Meeting held on 12 October 2017, shareholders approved APSIL's acquisition of 72% of the issued equity interest of Huzhou Agriculture Co. and Huzhou Culture Co.[1] This acquisition will set an exciting new path that will see us *breaking new ground* in China's vast and growing property sector.

After months of planning, review and groundwork, we are now ready to embark on our Huzhou Project in Zhejiang province – a premier integrated development that will create a world-class lifestyle destination in Huzhou, situated along Taihu Lake which is China's third largest freshwater lake. We will use this ancient city's rich and unique cultural legacy to *shape lifestyles* by forging a vibrant community enclave there that redefines the way people live, work and play.

This landmark project will host an array of innovative leisure-and-pleasure choices featuring cultural and lifestyle attractions. The development will include boutique hotels, a luxury marina and a brand-new yachting hub for enthusiasts, as well as many other water-themed family destinations and wellness-related facilities. In addition, the area's biodiversity presents many alluring options for eco and adventure travel.

To be completed in three phases on a site spanning 320 hectares, the Huzhou Project will encompass prime residential and commercial properties on 66 hectares of available construction land with an estimated total built-up area of half a million square metres. With properties ranging from waterside villas on small individual islands to ultra-modern commercial centres, this lifestyle hub will help drive the area's already rapid urban growth, further enhancing its status as a top choice for business and tourism while providing the Group with a revenue base that can be steadily expanded beyond property development alone.

Meanwhile, our existing Singapore real estate agency business, Global

Alliance Property Pte. Ltd. ("GAP"), has continued to stride forward. Locally, GAP strengthened its specialised non-landed residential properties sales team to ride on the current upturn and stepped up our marketing efforts for Housing Development Board resale. Beyond our shores, we have continued to grow our track record as one of the most active Singapore companies marketing Thai and Malaysian residential real estate to the region. We intend to replicate our success at marketing overseas projects in Hong Kong and Taiwan in the future.

Artist's impression of the Health Resort, which will encompass fitness centres, in-house diet and nutrition consultancies, focused spa treatments, gourmet cuisine options and more. Our guests will leave feeling and living better.

LOOKING AHEAD

Our move into Huzhou is a major strategic initiative to diversify our existing businesses in order to secure long-term growth and profitability for the Group. Linked by high-speed rail, the added attractiveness of the city is its close proximity to the metropolitan hubs of Shanghai, Nanjing and Hangzhou. Already hugely popular with travellers from abroad as well as across China, Huzhou will open a gateway to the future for us as China's property market grows and evolves.

According to official figures[2], arrivals in Huzhou increased over 25% from 2015 to 2016, with tourism revenue exceeding RMB88 billion. Moreover, Zhejiang province has been earmarked for extensive development schemes under China's 13th Five-Year Plan. At the same time, China's real estate sector is expected to continue growing, driven by its urban population swells and the demand for ever-higher standards of living. By tapping this market through distinctive and exclusive offerings that will *shape new lifestyles* for China's millennials as well as its silver seniors, the Huzhou Project should open up fresh revenue opportunities for the Group in terms of rental and management income.

Over at our property broking arm, we remain on the lookout for appropriate new opportunities while deepening our foothold in our existing markets.

ACKNOWLEDGMENTS AND APPRECIATION

Once again, let me speak on behalf of the Board as we express our heartfelt gratitude for the firm endorsement that the Group continues to receive from shareholders, clients and business associates alike.

Your faith and confidence in our ability to overcome every hurdle have given us the strength to persevere even through a highly challenging transition. To all our staff and our management team, I can assure you that your efforts to help the Group succeed in its new ventures have not gone unnoticed or unappreciated. Such enduring support from all of you will enable us to press on with our vision to transform APSIL into a market leader, not just at home but also on far-distant shores.

DATO' DR CHOO YEOW MING
Chairman

1 Huzhou Agriculture Co. (湖州荻溪耕读生态农业发展有限公司) and Huzhou Culture Co. (湖州苕溪渔隐文化产业有限公司) are real estate developers in the PRC and are engaged in the development of waterside villas, island residences and townhouses with a focus on wellbeing and healthy living facilities in Huzhou, PRC.

2 Huzhou Municipal People's Government, 2017.

Night view of the Huzhou Project.

LIVING WITH A DIFFERENCE

Refining Expectations, Refreshing Experiences

OPERATIONS **REVIEW**

FY2017 IN REVIEW

Revenue and Profit

In the financial year ended 30 June 2017 ("FY2017"), Asia-Pacific Strategic Investments Limited ("APSIL" or the "Group") reported a revenue of S$16.3 million and a gross profit of S$1.0 million, which was largely derived from its wholly-owned real estate agency Global Alliance Property Pte. Ltd. ("GAP").

While the Group incurred a net loss of S$6.6 million due mainly to increases in other losses, net, distribution and marketing expenses as well as administrative expenses, this was significantly lesser than FY2016's S$97.7 million, which included the S$93.7 million loss on disposal of subsidiary corporations completed in February 2016.

During the year, APSIL changed its functional and presentation currency from Malaysian Ringgit to Singapore Dollar ("S$"), as the Group now primarily operates in Singapore after disposing of its Malaysia-based bereavement care services business last year, and generates funds from financing activities in S$.

Cash Flows and Financial Position

In FY2017, the Group reported a net cash from operating activities of S$2.8 million as prudent capital management added S$9.5 million in working capital changes. However, APSIL reported a decrease in cash and cash equivalents of S$10.9 million to S$1.2 million due mainly to the net cash outflow of S$14.3 million from the disposal of subsidiary corporations.

BREAKING NEW GROUND

During the year, APSIL continued to build on the brand and reputation of GAP in Singapore and the rest of Asia, particularly in Hong Kong, Malaysia and Thailand, working directly with private real estate developers to market newly launched residential projects. These arrangements were mainly on an exclusive or 'wholesale' basis with the developers for the initial period of the marketing launch, and GAP, through its established network of agents and partners in the region, gained significant headway in FY2017.

From its Singapore base, GAP has marketed several Thai and Malaysian residential and commercial projects locally and in other Asian countries, including Hong Kong. Largely recognised as one of Singapore's most active companies marketing Thai and Malaysian residential real estate in the region, GAP plans to grow its reputation in the sector by building focused international sales and marketing teams in Hong Kong and Taiwan in the near to medium term. At the same time, APSIL will be strengthening its local network of real estate agents in countries where GAP is already actively marketing properties, thereby creating platforms to drive more cross-border transactions.

In line with its push to transform APSIL into a property developer in China and a regional real estate agency group, the Group completed the upgrading of its IT systems during the year and strengthened its finance and administrative operations. These investments will support the Group's growing need to efficiently manage and process a variety of real estate market data, as well as an expanding contact base and property transaction volumes.

Growing Our Local Presence

On the local front, GAP remained active in the private landed property and the Housing Development Board ("HDB") resale markets.

In the case of the HDB resale market, the volume of transactions rose by 7.8% to 20,813 as at end December 2016, from 19,306 cases in 2015[1]. This resale segment continues to be well supported by firm demand from owners upgrading from smaller to larger apartments.

Demand for new non-landed residential properties has picked up since the start of 2017 and as this is expected to continue and even gain momentum in FY2018, GAP has organised a dedicated team of 30 agents to capture a growing share of this segment. GAP also intends to expand into the resale market for Good Class Bungalows ("GCBs") and luxury homes in Singapore's prestigious Sentosa Cove.

Establishing Our Reputation in International Properties

Operating under the renowned Century 21 franchise, GAP has attained considerable success in Asia's wholesale real estate sector. Although these are largely residential projects in Malaysia and Thailand, the Group plans to expand its geographical reach as well as to market commercial-cum-leisure properties to investors in Asia.

In Singapore, GAP has become one of the most prominent real estate agencies for private residential projects in Thailand, adding exclusive marketing agreements for new developments such as Serio Sukhumvit 50, The Line Sukhumvit 101, Aspace ID Asoke Ratchada and Attitude Bearing in FY2017.

In Malaysia, although the level of enquiries for its projects such as R&F Princess Cove remain healthy, demand has been somewhat dampened by regulatory requirements as well as the weak Ringgit. Despite the difficult investment climate, GAP was still able to make progress in FY2017 with a new property launch in Penang.

To grow its reach and reputation beyond Singapore, GAP has set its sights to build another cross-border real estate platform in Hong Kong by fortifying its team of sales and marketing professionals there.

Over the medium term, GAP also has plans to establish operations in Taiwan, where there is a strong appetite for the Thailand and Malaysia international real estate projects. Other countries that hold potential for GAP are Cambodia and Vietnam.

Shaping Lifestyles as a Real Estate Developer in Huzhou, China

Subsequent to the end of FY2017, the Group diversified into property development in China's ancient cultural city of Huzhou with the acquisition of 72% of the issued equity interest of Huzhou Agriculture Co. and Huzhou Culture Co.[2] for RMB57.6 million (approximately S$11.8 million) which was funded by internally generated funds. This was approved by shareholders at the Extraordinary General Meeting ("EGM") held on 12 October 2017.

These two real estate companies have the management rights over a land parcel located west of the Yangtze River, in Digang Town in Huzhou where they plan to develop waterside villas, island residences and townhouses with a focus on wellbeing and healthy living facilities. Dubbed the Huzhou Project, the property is strategically located near the metropolitan hubs of Shanghai, Nanjing and Hangzhou.

The master urban and development plan of the Huzhou Project was finalised in October 2016 after several rounds of consultation and reviews of the relevant expert panels and government authorities. Based on this plan, the Huzhou Project involves a site of approximately 320 hectares, of which 66 hectares is land available for construction after taking into account the waterways, and total built up area is expected to be approximately 500,000 sq metres.

To help kick start this project, APSIL plans to raise a maximum of S$43.6 million in gross proceeds through a 2-for-1 renounceable and partially underwritten rights issue of up to 14,537,002,596 new ordinary issued shares in the company. Priced at S$0.003 each, each rights share will be issued with a free detachable 5-year warrant with an exercise price of S$0.003. The issue is subject to shareholders' approval at an EGM to be convened at a later date.

DISPOSAL OF CENTURY 21 HONG KONG LIMITED

In efforts to streamline its business, APSIL's wholly-owned subsidiary, Asia-Pacific Real Estate Agency Pte. Ltd. ("APREA") sold 3,880,000 shares of HK$1.00 each in the capital of C21 HK, representing the entire issued and paid-up share capital of C21 HK, to Menkin Limited for S$500,000 in cash.

1 Housing & Development Board: Release of 4th Quarter 2016 Public Housing Data, 26 January 2017.

2 Huzhou Agriculture Co. (湖州荻溪耕读生态农业发展有限公司) and Huzhou Culture Co. (湖州苕溪渔隐文化产业有限公司) are real estate developers in the PRC and are engaged in the development of waterside villas, island residences and townhouses with a focus on wellbeing and healthy living facilities in Huzhou, PRC.

SIGNIFICANT **EVENTS**

DATE	FINANCIAL CALENDAR
31 Oct 2016	Annual General Meeting
10 Nov 2016	Announcement of 1QFY2017 Financial Results
10 Feb 2017	Announcement of 2QFY2017 Financial Results
15 May 2017	Announcement of 3QFY2017 Financial Results
29 Aug 2017	Announcement of FY2017 Financial Results

DATE	SIGNIFICANT ANNOUNCEMENTS
08 Jul 2016	Sale & purchase agreement ("SPA") 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") for the proposed acquisition of 100% of 中房联合置业集团有限公司 or CREU for RMB150 million – extension of Long Stop Date to 10 January 2017, due to the longer than expected period required for the fulfillment of the Conditions Precedent. CREU is a well-established real estate developer in the People's Republic of China ("PRC"), having built more than 400 million square metres of real estate in China.
01 Aug 2016	SPA with 中房联合投资 and 中房企业管理 for the proposed acquisition of 100% of 中房联合置业集团有限公司 or CREU for RMB150 million – the Singapore Exchange Securities Trading Limited granted the Company a waiver for the disclosure of 中房联合置业集团有限公司 or CREU's audited consolidated financial statements for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016.
15 Nov 2016	The Company's wholly-owned subsidiary, Asia-Pacific Real Estate Agency Pte. Ltd. ("APREA") sold 3,880,000 shares of HK$1.00 each in the capital of Century 21 Hong Kong Limited ("C21 HK") representing the entire issued and paid-up share capital of C21 HK, to Menkin Limited for S$500,000 in cash. Following this transaction, C21 HK and its wholly-owned subsidiary, Century 21 Limited ceased to be subsidiaries of the Company and APREA.
01 Dec 2016	Appointed Mr Lee Keng Mun, existing Executive Director and Chief Financial Officer of the Company, as Chief Operating Officer. Mr Lee relinquished his role as Chief Financial Officer of the Company upon his new appointment.
	Appointed Ms Joey Wu, existing Project Accountant of the Company, as Group Financial Controller. Ms Wu relinquished her role as Project Accountant of the Company upon her new appointment.
10 Jan 2017	SPA with 中房联合投资 and 中房企业管理 for the proposed acquisition of 100% of 中房联合置业集团有限公司 or CREU for RMB150 million – extension of Long Stop Date to 10 July 2017, due to the longer than expected period required for the fulfillment of the Conditions Precedent.
20 Mar 2017	Announcement of the expiry of 166,288,443 unexercised Introducer Warrants.

23 Mar 2017	Update on status of SPA with 中房联合投资 and 中房企业管理 for the proposed acquisition of 100% of 中房联合置业集团有限公司 or CREU for RMB150 million – the SPA is contingent upon the approval of the Ministry of Commerce of the People's Republic of China (the "MoC"). Throughout the past year, 中房联合投资 and 中房企业管理, with the assistance of 中房联合置业集团有限公司 or CREU and the Company have responded to the MoC's various queries and requests for additional information and documents in relation to the sale and purchase of the Sale Interests. As part of the MoC's review, the MoC sent consultation letters to the Ministry of Housing and Urban-Rural Development, the State Administration For Industry and Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, and the China Securities Regulatory Commission (collectively, the "Regulators") to seek the Regulators' opinion on certain areas under the Regulators' purview. The Regulators have responded to all these letters from the MoC. The Company will continue to co-operate fully with 中房联合投资 and 中房企业管理 and take all actions necessary to procure the approval of the MoC in relation to the SPA.
10 Jul 2017	SPA with 中房联合置业集团有限公司 or CREU for the proposed acquisition of 72% of 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 ("Target Companies") for RMB57.6 million. The Target Companies are real estate developers in the PRC and are part of the group of companies proposed to be acquired under the SPA with 中房联合投资 and 中房企业管理 for the proposed acquisition of 100% of 中房联合置业集团有限公司 or CREU for RMB150 million. The Company decided to proceed with the acquisition of the Target Companies first while working towards the fulfillment of the Conditions Precedent for the CREU acquisition.
	SPA with 中房联合投资 and 中房企业管理 for the proposed acquisition of 100% of 中房联合置业集团有限公司 or CREU for RMB150 million – extension of Long Stop Date to 10 October 2017, due to the longer than expected period required for the fulfillment of the Conditions Precedent.
21 Jul 2017	Incorporated a wholly-owned subsidiary, 亚太置地(北京)信息咨询有限公司, in the PRC. 亚太置地(北京)信息咨询有限公司 was incorporated for the purpose of providing real estate related advisory services.
11 Sep 2017	SPA with 中房联合置业集团有限公司 or CREU for the proposed acquisition of 72% of Target Companies for RMB57.6 million – Target Companies have obtained approval from the relevant PRC authorities to change their status to Sino-foreign equity joint venture companies. Completion of the acquisition is still subject to the fulfilment or waiver of the Conditions Precedent, including shareholders' approval, which will be sought at an Extraordinary General Meeting ("EGM") to be held on a later date.

SIGNIFICANT **EVENTS**

12 Sep 2017	Proposed renounceable partially-underwritten Rights cum Warrants issue of up to 14,537,002,596 new ordinary shares of the Company with up to 14,537,002,596 free detachable warrants: • Two Rights Shares at S$0.003 apiece, for every one existing Share held. • One free Warrant for every one Rights Share subscribed, convertible into one Share at an exercise price of S$0.003 per Warrant. The Rights cum Warrants issue is subject to shareholders' approval at an EGM to be held on a later date.
27 Sep 2017	Announcement of EGM to be held on 12 October 2017. The EGM is convened to seek shareholders' approval for: • The proposed diversification of the Company's business to include property development activities and the holding of property-related assets as investment. • The proposed acquisition of 72% of Target Companies for RMB57.6 million (approximately S$11.8 million).

BOARD OF **DIRECTORS**

Artist's impression of the Yacht Resort Apartments. To be situated in the yacht-themed leisure resort zone, these apartments will be the perfect choice for sailing and boating enthusiasts and their families.

Dato' Dr Choo Yeow Ming
Chairman and Chief Executive Officer ("CEO")

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

Lee Keng Mun
Executive Director and Chief Operating Officer ("COO")

Mr Lee was appointed to the Board on 14 November 2012. In his role, he is responsible for overseeing the Group's business and operations, which include but are not limited to business development, finance, administration, corporate secretarial functions, corporate governance and communication.

Mr Lee joined the Company in November 2007 as Group Financial Controller and was promoted to the post of Chief Financial Officer in November 2009, a role he continued to assume after his appointment to the Board, and COO in December 2016. Before joining the Group, he was with the assurance and advisory business services division of Ernst & Young Singapore from January 2007 to October 2007. He was with Deloitte & Touche Malaysia from May 1997 to February 2005. From March 2005 to December 2006, he joined as senior manager of a listed company of Bursa Malaysia. Mr Lee holds a Bachelor of Accounting from the University of Malaya and is a member of the Institute of Singapore Chartered Accountants and the Malaysian Institute of Accountants. He is also an independent director of Arion Entertainment Singapore Limited.

Hano Maeloa
Non-Executive Director

Mr Maeloa was appointed to the Board on 12 February 2008. Mr Maeloa graduated with a Bachelor of Science in Business Administration from the University of Southern California. He has wide business management experience in different industries ranging from banking, food and beverage, securities and fund management, real estate, golf and country club to shipping. He has excellent business experience in the Asia-Pacific region with vast business contacts. Mr Maeloa has been CEO of Pancon Marine & Shipping Services since 2003 as well as a director at Bintan Golden Shipping since 2002. On the investment front, he gained valuable experience at companies such as Harumdana Sekuritas, where he served as a vice-president director for five years. In the food industry, he earned his spurs at the likes of Wendy's in Hong Kong, where he was Managing Director for six years. He is currently the executive director and CEO of Top Global Limited and non-executive director of China Medical (International) Group Limited.

BOARD OF **DIRECTORS**

Dr Lam Lee G.

Lead Independent Director

Dr Lam was appointed to the Board on 5 June 2007. He holds a Bachelor of Science in Sciences and Mathematics, a Master of Science in Systems Science, and a Master of Business Administration, all from the University of Ottawa in Canada, a post-graduate Diploma in Public Administration from Carleton University in Canada, a postgraduate Diploma in English and Hong Kong Law and a LLB (Hons) in law from Manchester Metropolitan University in the United Kingdom, a LLM in law from the City University of Wolverhampton in the United Kingdom, a PCLL in law from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS, and Master of Public Administration and a Doctor of Philosophy from the University of Hong Kong. A former member of the Hong Kong Bar, Dr Lam is a solicitor of the High Court of Hong Kong, an honorary fellow of CPA Australia and a fellow of CMA Australia, a fellow of the Hong Kong Institute of Arbitrators, an accredited mediator of the Centre for Effective Dispute Resolution, and a fellow of the Hong Kong Institute of Directors.

Dr Lam has over 30 years of international experience in general management, management consulting, corporate governance, direct investment, investment banking and fund management across the telecommunications/media/technology, consumer/healthcare, infrastructure/real estate, resources/energy and financial services sectors. He is chairman of Hong Kong Cyberport Management Company Limited, non-executive chairman – Hong Kong and ASEAN Region and Chief Adviser – Asia, of Macquarie Infrastructure and Real Assets Asia, a member of the Hong Kong Special Administrative Region Government's Committee on Innovation, Technology and Re-Industrialization, the Hong Kong Council on Smoking and Health, the Council on Professional Conduct in Education, and the Court of the City University of Hong Kong, vice chairman of the United Nations Economic and Social Commission for Asia and the Pacific Business Advisory Council and chairman of its Task Force on Banking and Finance, chairman of the Permanent Commission on Economic and Financial Issues of World Union of Small and Medium Enterprises, a board member of Pacific Basin Economic Council, a member of Sir Murray MacLehose Trust Fund Investment Advisory Committee, honorary advisor to the Hong Kong Business Angel Network, honorary chairman – Asia-Pacific of CMA Australia, chairman of Monte Jade Science and Technology Association of Hong Kong, president of Hong Kong-ASEAN Economic Cooperation Foundation, vice president of the Hong Kong Real Property Federation, special adviser to the Asia-Pacific Real Estates Association, a Board member of the Chinese General Chamber of Commerce of Hong Kong and the Australian Chamber of Commerce in Hong Kong and Macau, a founding board member and the honorary treasurer of the Hong Kong Vietnam Chamber of Commerce, vice chairman of the Hong Kong Myanmar Chamber of Commerce, a founding member of the Hong Kong-Korea Business Council, and a member of the Hong Kong-Thailand Business Council.

Dr. Lam earlier served as a part-time member of the Hong Kong Special Administrative Region Government's Central Policy Unit, and a member of the Task Force on Industry Facilitation under the Digital 21 Strategy Advisory Committee, the Assessment Panel of the Small Entrepreneur Research Assistance Programme under the Innovation and Technology Fund, the Derivatives Market Consultative Panel of Hong Kong Exchanges and Clearing Limited, the General Council and the Corporate Governance Committee of the Chamber of Hong Kong Listed Companies, the New Business Committee of the Hong Kong Financial Services Development Council and the Legal Aid Services Council.

Chew Soo Lin

Independent Director

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

Yap Siean Sin

Independent Director

Mr Yap was appointed to the Board on 5 June 2007. Mr Yap holds post-graduate qualifications in architecture as well as in town planning. Mr Yap has extensive experience as a consultant architect, town planner and also business management of numerous construction and property development projects in Malaysia, Singapore and China. He is a corporate member of the Royal Institute of British Architects, Malaysian Institute of Town Planners, Malaysian Institute of Architects, British Institute of Interior Design, and an Associate Member of the British Institute of Building Engineers. Mr Yap is also an independent director of China Medical (International) Group Limited.

KEY **MANAGEMENT**

Mr Chong Chai Shyong
Executive Director of Global Alliance Property Pte. Ltd.

Mr Chong is a well-known qualified real estate professional with over 20 years experience in the industry. He began his real estate career with ERA Singapore in the 1990s and moved on to DTZ Debenham Tie Leung (SEA) (now known as Edmund Tie & Company) in 2004 where he became a Vice President heading a local sales & marketing team. Mr Chong has built a strong network of contacts in Singapore and the region over the years and is currently the Executive Director of Global Alliance Property Pte. Ltd. ("GAP"). Under his leadership, GAP has built a regional and diverse portfolio of residential, commercial, and hotel & resort projects in Singapore, Thailand and Malaysia. Mr Chong did his tertiary studies in the United Kingdom, majoring in financial markets and institutions, as well as economics. He is a member of the respected International Real Estate Federation, more commonly known as "FIABCI". Apart from real estate, he also has his own import & export trading business.

Joey Wu
Group Financial Controller

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

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

FINANCIAL **HIGHLIGHTS**

Key Financial Ratios	FY2015 (restated)	FY2016 (restated)	FY2017
Loss per share (S$ cents)	**(1.21)**	**(2.88)**	**(0.17)**
Continuing Operations	(0.50)	(2.86)	(0.16)
Discontinued Operations	(0.71)	(0.02)	(0.01)
Net Asset Value per share (S$)	**0.02**	**0.01**	**0.01**

Income Statement (S$ million)	FY2015 (restated)	FY2016 (restated)	FY2017
Revenue	**5.8**	**11.9**	**16.6**
Continuing Operations	0.1	8.3	16.3
Discontinued Operations	5.7	3.6	0.3
Net Loss attributable to equity holders of the Company	**(2.0)**	**(97.7)**	**(6.6)**
Continuing Operations	(0.8)	(97.2)	(6.4)
Discontinued Operations	(1.2)	(0.5)	(0.2)

Balance Sheet (S$ million)	FY2015 (restated)	FY2016 (restated)	FY2017
Total assets	51.7	44.3	33.3
Total liabilities	13.9	9.9	5.4
Shareholders' equity	37.8	34.4	27.9
Net cash	4.3	12.1	1.2

Notes:

1) The disposal of HMS Capital Sdn Bhd ("HMSC") was completed on 4 February 2016, from which HMSC's results have since been excluded.
2) In FY2016, the Group consolidated the results of the following new wholly-owned subsidiaries:
   – Century 21 Hong Kong Limited ("C21 HK") (with effect from 21 October 2015)
   – Global Alliance Property Pte. Ltd. ("GAP") (with effect from 2 February 2016)
   – Century 21 (AsPac) Realty Pte. Ltd. a wholly-owned subsidiary of GAP (with effect from 10 March 2016)
3) In 1QFY2017, the Group changed its functional currency from Malaysian Ringgit to Singapore Dollar ("S$"), as the primary economic environment in which APSIL operates is in Singapore after the disposal of HMSC, and the currency from which funds from financing activities are generated is the S$. Accordingly, the Group's presentation currency has been changed to S$.
4) The disposal of C21 HK was completed on 15 November 2016, from which C21 HK's results have since been excluded.

CORPORATE **GOVERNANCE REPORT**

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

This Corporate Governance Report describes the Company's corporate governance processes and activities that are currently in place for the financial year ended 30 June 2017, with special 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 guidelines 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 Operating 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 directions and long-term goals of the Group, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;

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

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

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

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

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

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

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

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

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 financial 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 allows 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 2017 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	4	4*	2	2	2	2*
Lee Keng Mun	4	4	4	4*	2	2*	2	2*
Hano Maeloa	4	2	–	–	–	–	–	–
Dr Lam Lee G.	4	4	4	4	2	2	2	2
Chew Soo Lin	4	3	4	3	2	2	2	2
Yap Siean Sin	4	4	4	4	2	2*	2	2

* by invitation

The Company has adopted internal guidelines setting forth matters that require Board approval, examples of which include corporate plans, material acquisitions and disposals of assets, share issuances, dividends and other returns to shareholders. All Directors objectively take part in decisions affecting the interests of the Company. Clear directions have been imposed on Management that such matters must be approved by the Board.

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.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement 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 judgement 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, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge. None of the Independent Directors have any relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere, or be perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. The NC deliberates annually to determine the independence of a Director bearing in mind the salient factors as set out under the Code as well as all other relevant circumstances and facts. Each of the Independent Directors has confirmed that he considers himself as independent having regard to the factors set out under the Code. The NC has reviewed, determined and confirmed the independence of all the Independent Directors.

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 monitors the reporting of performance.

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

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

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

Even though Dr Lam, Lee G., 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 independent judgement, professionalism, integrity and the objectivity and not merely based on the number of years which they have served on the Board. In view of this, having considered the above and weighing the need for progressive refreshing of the Board, the NC and the Board have determined that Dr Lam, Lee G., Mr Chew Soo Lin and Mr Yap Siean Sin's tenures in office have not affected their independence or ability to bring about independent and considered judgement in the discharge of their duties as members of the Board.

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

The Non-Executive Director and Independent Directors meet as and when necessary and at least once a year without the present of 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 Board, 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 information flow and timing are adequate for discussion of all agenda items, in particular strategic issues;
3. promoting a culture of openness and debate at the Board;
4. ensuring that the directors receive complete, adequate and timely information;
5. ensuring effective communication with shareholders;
6. encouraging constructive relations within the Board and between the Board and Management;
7. facilitating the effective contribution of the Non-Executive Director in particular; and
8. promoting high standards of corporate governance.

In his role as CEO, Dato' Choo is the most senior executive in the Group and holds executive responsibility for the Group's business. He is assisted by Executive Director, 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 by the Code. He is the principal liaison person on board issues between the Independent Directors and Executive Chairman. Dr Lam would be available to shareholders if they have concerns in situations where contact through the normal channels of Chairman and CEO or the COO 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 the Executive Directors.

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

Board Membership

Principle 4: 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)
Chew Soo Lin (Member)
Dato' Dr Choo Yeow Ming (Member)

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

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

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

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

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

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

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

7. reviewing and making recommendation to the Board on relevant matters relating to the succession plans of the Board in particular the Chairman 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 and the Board has agreed that the following Directors who are to 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
Dato' Dr Choo Yeow Ming	Chairman and Chief Executive Officer	6 July 2006
Hano Maeloa	Non-Executive Director	12 February 2008

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

The directors named above do not have any relationship (including immediate family relationship) with 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	IPC Corporation Limited	N.A.
Lee Keng Mun	14 November 2012	30 October 2015	Arion Entertainment Singapore Limited	N.A.
Hano Maeloa	12 February 2008	31 October 2014	Top Global Limited China Medical (International) Group Limited	N.A.

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)
Dr Lam Lee G.	5 June 2007	30 October 2015	Adamas Finance Asia Limited AustChina Holdings Limited China LNG Group Limited Csi Properties Limited Elife Holdings Limited Glorious Sun Enterprises Limited Haitong Securities Company Limited Mei Ah Entertainment Group Limited National Arts Entertainment and Culture Group Limited Rowsley Ltd Sunwah International Limited Sunwah Kingsway Capital Holdings Limited Top Global Limited Vietnam Equity Holding Vongroup Limited Huarong Investment Stock Corporation Limited Roma Group Limited Xi'an Haitian Antenna Holdings Company Limited Highlight China IoT International Limited	Far East Holdings International Limited Heng Fai Enterprises Limited Hutchison Harbour Ring Limited Imagi International Holdings Limited Mingyuan Medicare Development Company Limited Ruifeng Petroleum Chemical Holdings Ltd UDL Holdings Limited

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)
Chew Soo Lin	5 June 2007	31 October 2016	Khong Guan Limited Duty Free International Limited MTQ Corporation Limited China Medical (International) Group Limited	N.A.
Yap Siean Sin	5 June 2007	31 October 2016	China Medical (International) Group Limited	N.A.

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

There are no Alternate Directors appointed by the Company.

Profiles of the Directors are found on pages 13 to 14 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.

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.

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 of interest. The RC is scheduled to meet at least once a year. The RC is regulated by a set of terms of reference and has access to independent professional advice inside and outside the Company, if necessary, in respect of the remuneration of all Directors and key management personnel.

The RC's main duties are:

1. recommending to the Board a remuneration framework for each Directors (Executive and Independent) and key management personnel;

2. determining the appropriateness of the remuneration packages for each Director (Executive and Independent) and key management personnel;

3. reviewing the Company's obligations arising in the event of termination of the Executive 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 Directors 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 administering 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 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 receive directors' fees. 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 current service agreements entered with the Executive Directors are approved by the RC and they do not contain contractual provision to allow the Company to reclaim incentive 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 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 2017 is as follows:

Name of Director	Remuneration Band S$	Fixed Salary %	Annual Wage Supplement %	Director Fees %	Allowance %	Total %
Dato' Dr Choo Yeow Ming	250,000 – 499,999	92	8	–	–	100
Lee Keng Mun	< 250,000	91	9	–	–	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 2017 is as follows:

Name of Key Management	Remuneration Band S$	Fixed Salary %	Annual Wage Supplement %	Commission %	Allowance %	Total %
Chong Chai Shyong	250,000 – 499,999	52	–	48	–	100
Wu Joey	< 250,000	99	1	–	–	100

In FY2017, the aggregate amount of remuneration paid to the above key management personnel was approximately $379,000.

No employee who is an immediate family member of any Director whose remuneration exceeds S$50,000 for the financial year ended 30 June 2017.

No termination or retirement benefits or post-employment benefits were granted to the Directors, the CEO or key management personnel in the course of FY2017.

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 ensuring compliance with legislative and regulatory requirements including but not limited to requirements under the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

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 asset, 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 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, review the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management policies and system 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 rick 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 COO:

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 report, the external audit report and management letter prepared by the external auditors 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 auditors for the attention of the AC for FY2017.

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 adequate in the Group's current business environment.

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)
Chew Soo Lin (Member)
Dr Lam Lee G. (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 is scheduled to meet 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 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 judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;

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

14. reviewing 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, 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 auditors provide 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 2017, 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 2017 was:

	S$'000
Audit fees	69
Non-audit fees	95
Total fees	164

The non-audit fees were in respect of the engagement of the external auditors as the reporting accountant for the proposed acquisition of 中房联合置业集团有限公司 with total fees amounting to S$200,000, S$53,000 was paid in the financial year ended 30 June 2017. The AC has reviewed the non-audit services rendered by the external auditors for the financial year ended 30 June 2017 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, the audit engagement director assigned to the audit, the firm's other engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, the Board and the AC are of the opinion that a suitable auditing firm has been appointed to meet the auditing obligations of the Company and its significant subsidiaries. The Company has complied with Rules 712 and 715 of the Catalist Rules.

The AC recommended and the Board approved that Nexia TS Public Accounting Corporation be nominated for re-appointment as external auditors of the Company at the forthcoming AGM. Audit fees payable to Nexia TS Public Accounting Corporation in respect of FY2017 amounted to S$42,000.

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 auditors. The internal auditors report 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 2017, 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 the share price and value.

The Company strongly encourages shareholders to participate at 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, 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 Company'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, Cap. 50 and the Singapore Financial Reporting Standards;

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 on 30 October 2017. Such AGMs represent as 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 FY2017 in view of losses incurred and the current 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 AGMs as they are the principal forums 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. Every matter requiring shareholders' approval at general meetings is proposed as a separate resolution. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the purposed resolution.

The Constitution of the Company allows a member of the Company to appoint up to 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 AGMs, 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 are present at the AGMs 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 AGMs are announced with details of votes and voting percentage 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 two weeks before the announcement of the Company's quarterly results and one month before the announcement of the Company's full year results, 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 2017, 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$175,000 for legal services provided to the Company for the financial year ended 30 June 2017.

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 Warrants 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 2017, 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 new business venture. The use of the proceeds is in accordance with the stated use.

C. 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. The status in terms of utilisation of proceeds is as follows:

Use of Proceeds	Actual utilisation S$'000	As a percentage of gross proceeds %	Proposed utilisation ratio %
To fund the proposed expansion in new business of real estate agency and real-estate related services and support	2,702	21.4	30-70*
General working capital	2,639	20.9	10-30*
Total	5,341	42.3	

Note:

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

With respect to the S$2,639,000 used for general working capital, the breakdown is as follows:

General working capital – Purpose of utilisation	Percentage utilised (%)
Payment of employee compensation and directors' fees	39.1
Payment of office overheads	26.7
Payment of professional fees and other compliance costs	34.2
Total	100.0

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

FINANCIAL **CONTENTS**

DIRECTORS' **STATEMENT**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2017 and the balance sheet of the Company as at 30 June 2017.

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 48 to 120 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 2017 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 statement 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' 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 1.7.16	**At 30.6.17**	**At 1.7.16**	**At 30.6.17**
Company				
(No. of ordinary shares)				
Dato' Dr Choo Yeow Ming	605,645,532	605,645,532	182,479,500	352,479,500
Hano Maeloa	307,118,154	307,118,154	–	–
Chew Soo Lin	3,600,036	3,600,036	–	–
(No. of warrants expiring on 6 May 2019)				
Hano Maeloa	187,632,083	187,632,083	–	–
Chew Soo Lin	5,362,573	5,362,573	–	–
(No. of warrants expiring on 19 Nov 2020)				
Dato' Dr Choo Yeow Ming	403,763,088	403,763,088	121,653,000	121,653,000
Hano Maeloa	204,745,436	204,745,436	–	–
Chew Soo Lin	2,400,000	2,400,000	–	–

(b) Dato' Dr Choo Yeow Ming, who by virtue of his interest of not less than 20% of the issued share capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's wholly owned subsidiary corporations.

(c) The directors' interests in the ordinary shares and warrants of the Company as at 21 July 2017 were the same as those as at 30 June 2017.

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.

Audit Committee

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

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

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 2017

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	**Lee Keng Mun**
Director	*Director*

5 October 2017

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Asia-Pacific Strategic Investments Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 June 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 48 to 120.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(1) Revenue recognition
[Refer to Notes 2.2 and 4]

Area of focus

The Group's revenue is mainly derived from commission income of real estate agency services which is recognised when these services are rendered and are contractually billable. For the financial year ended 30 June 2017, the Group recognised revenue of S$16,256,000. We focused on this area as a key audit matter as there is a presumed fraud risk with regards to revenue recognition and revenue is one of the key performance indicators of the Group. In addition, there is inherent risk that revenue could be misstated and recorded in the incorrect accounting period.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, we:

- understood, evaluated and validated key controls over the sales and receivables cycle;
- verified the supporting documents, i.e. option to purchase form/tenancy agreement, commission agreement and invoices;
- performed cut-off test and reviewed reconciliation between operations system which captures the information recorded by operations staff and accounting system which captures the information recorded by the finance staff;
- reviewed credit notes issued after the financial year end to ascertain whether any rebates issued after the financial year relating to commission income during the financial year have been recorded in the correct financial year;
- reviewed journal entries posted to revenue accounts to identify if there are any unusual or irregular items.

(2) Goodwill impairment assessment
[Refer to Note 2.9(a) and 3.2]

Area of focus

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. We focused on this area due to the level of the subjectivity associated with the many assumptions used in estimating the value-in-use of the cash-generating unit ("CGU") that is required to be made by management, including expectations of future events that are believed to be reasonable under the circumstances.

(2) Goodwill impairment assessment (Continued)
[Refer to Note 2.9(a) and 3.2]

How our audit addressed the area of focus

In obtaining sufficient audit evidence, we:

- evaluated the reasonableness of management's estimate of gross margin and growth rate by taking into consideration the CGU's past performance, current market condition and the industry trend;

- challenged management's estimates applied in the value-in-use model based on our knowledge of the operations, by comparing historical forecasts against historical performance to assess management's forecast ability; and by comparing current forecasts against historical performance to assess the reasonableness of the forecasts;

- assessed the discount rates applied, by comparing against external economic and market data;

- evaluated management's sensitivity analysis to assess the impact on the recoverable amount of each CGU by reasonable changes to the estimated growth rate and discount rate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement director on the audit resulting in this independent auditor's report is Lee Look Ling.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

5 October 2017

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	Group 2017 S$'000	Group 2016 S$'000 (restated)
Continuing operations			
Revenue	4	**16,329**	8,325
Cost of services		**(15,297)**	(7,680)
Gross profit		**1,032**	645
Other losses, net	7	**(1,886)**	(91,755)
Expenses			
– Distribution and marketing		**(545)**	(89)
– Administrative		**(4,941)**	(5,988)
Loss before income tax		**(6,340)**	(97,187)
Income tax (expense)/credit	8	**(72)**	3
Loss from continuing operations		**(6,412)**	(97,184)
Discontinued operations			
Loss from discontinued operations	9(a)	**(176)**	(506)
Total loss attributable to equity holders of the Company		**(6,588)**	(97,690)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
– Reclassification		**–**	(492)
Currency translation differences arising from consolidation			
– Gains/(losses)		**30**	(1,666)
– Reclassification		**11**	(7,924)
		41	(10,082)
Items that will not be reclassified subsequently to profit or loss:			
Reversal of restructuring reserve on disposal of subsidiary corporations		**–**	89,648
Other comprehensive income, net of tax		**41**	79,566
Total comprehensive loss attributable to equity holders of the Company		**(6,547)**	(18,124)
Loss per share for loss from continuing and discontinued operations attributable to equity holders of the Company (cents per share)			
Basic and diluted loss per share	10		
From continuing operations		**(0.16)**	(2.86)
From discontinued operations		**(0.01)**	(0.02)

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

BALANCE SHEET – **GROUP**

AS AT 30 JUNE 2017

	Note	Group 30.6.17 S$'000	30.6.16 S$'000 (restated)	1.7.15 S$'000 (restated)
ASSETS				
Current assets				
Cash and cash equivalents	11	**1,198**	12,078	4,266
Financial assets, at fair value through profit or loss	12	**15,024**	14,336	12,412
Trade and other receivables	13	**13,022**	13,307	1,995
Other current assets	14	**399**	467	111
Available-for-sale financial assets	15	**2,000**	2,000	–
		31,643	42,188	18,784
Assets of disposal group classified as held-for-sale	9(c)	**–**	–	26,435
		31,643	42,188	45,219
Non-current assets				
Available-for-sale financial assets	15	**–**	–	6,492
Property, plant and equipment	17	**574**	503	23
Intangible assets	18	**1,096**	1,582	–
		1,670	2,085	6,515
Total assets		**33,313**	44,273	51,734
LIABILITIES				
Current liabilities				
Trade and other payables	19	**5,205**	9,529	67
Current income tax liabilities	8(b)	**16**	88	15
		5,221	9,617	82
Liabilities directly associated with disposal group classified as held-for-sale	9(d)	**–**	–	9,814
		5,221	9,617	9,896
Non-current liabilities				
Other payable	19	**–**	–	4,000
Provisions	20	**204**	165	–
Deferred income tax liabilities	21	**21**	86	–
		225	251	4,000
Total liabilities		**5,446**	9,868	13,896
Net assets		**27,867**	34,405	37,838
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	22	**161,334**	161,325	146,634
Other reserves	23	**(15,939)**	(15,980)	(95,546)
Accumulated losses		**(117,528)**	(110,940)	(13,250)
Total equity		**27,867**	34,405	37,838

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

BALANCE SHEET – **COMPANY**

AS AT 30 JUNE 2017

	Note	30.6.17 S$'000	Company 30.6.16 S$'000 (restated)	1.7.15 S$'000 (restated)
ASSETS				
Current assets				
Cash and cash equivalents	11	**1,044**	6,722	4,266
Financial assets, at fair value through profit or loss	12	**15,024**	14,336	12,412
Other receivables	13	**12,739**	12,176	1,995
Other current assets	14	**130**	108	111
Available-for-sale financial assets	15	**2,000**	2,000	–
		30,937	35,342	18,784
Assets of disposal group classified as held-for-sale	9(e)	**–**	–	3,808
		30,937	35,342	22,592
Non-current assets				
Available-for-sale financial assets	15	**–**	–	6,492
Investment in subsidiary corporations	16	**–***	–*	–
Property, plant and equipment	17	**10**	14	23
		10	14	6,515
Total assets		**30,947**	35,356	29,107
LIABILITIES				
Current liabilities				
Other payables	19	**59**	308	67
Current income tax liabilities	8(b)	**16**	2	15
		75	310	82
Non-current liabilities				
Other payable	19	**–**	–	4,000
Total liabilities		**75**	310	4,082
Net assets		**30,872**	35,046	25,025
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	22	**161,334**	161,325	146,634
Other reserves	23	**(15,939)**	(15,939)	(14,130)
Accumulated losses		**(114,523)**	(110,340)	(107,479)
Total equity		**30,872**	35,046	25,025

* Less than S$1,000.

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	Share capital S$'000	Restructuring reserve S$'000	Fair value reserve S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total S$'000
		Attributable to equity holders of the Company					
2017							
Beginning of financial year		161,325	–	–	(15,980)	(110,940)	34,405
Total comprehensive income/(loss) for the financial year		–	–	–	41	(6,588)	(6,547)
Issue of new ordinary shares pursuant to exercise of warrants		9	–	–	–	–	9
End of financial year		**161,334**	**–**	**–**	**(15,939)**	**(117,528)**	**27,867**
2016 (restated)							
Beginning of financial year		146,634	(89,648)	492	(6,390)	(13,250)	37,838
Total comprehensive income/(loss) for the financial year		–	89,648	(492)	(9,590)	(97,690)	(18,124)
Issue of new ordinary shares		12,969	–	–	–	–	12,969
Share issue expenses		(351)	–	–	–	–	(351)
Issue of new ordinary shares pursuant to exercise of warrants		1,006	–	–	–	–	1,006
Issue of new ordinary shares as consideration for acquisition of an indirect subsidiary corporation	29(a)	1,067	–	–	–	–	1,067
End of financial year		161,325	–	–	(15,980)	(110,940)	34,405

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	Group 2017 S$'000	Group 2016 S$'000 (restated)
Cash flows from operating activities			
Total loss		**(6,588)**	(97,690)
Adjustments for:			
– Income tax expense/(credit)		**72**	(3)
– Interest expense		**–**	19
– Interest income		**(268)**	(297)
– Dividend income		**(662)**	(207)
– Depreciation of property, plant and equipment		**260**	92
– Property, plant and equipment written-off		**119**	59
– Amortisation of intangible assets		**122**	51
– Loss on disposal of subsidiary corporations		**377**	93,735
– Impairment loss on available-for-sale financial assets		**–**	3,794
– Reversal of other payable		**–**	(4,000)
– Reclassification from other comprehensive income		**–**	(492)
– Unrealised currency translation losses		**–**	28
		(6,568)	(4,911)
Change in working capital, net of effects from acquisition and disposal of subsidiary corporations:			
– Inventories and development expenditure		**–**	84
– Trade and other receivables		**427**	(6,244)
– Financial assets, at fair value through profit or loss		**(688)**	(2,645)
– Other current assets		**(25)**	(548)
– Trade and other payables		**9,778**	7,412
Cash generated from/(used in) operations		**2,924**	(6,852)
– Income tax paid, net		**(79)**	(9)
– Interest received		**–**	127
Net cash provided by/(used in) operating activities		**2,845**	(6,734)
Cash flows from investing activities			
– Additions to property, plant and equipment		**(418)**	(51)
– Acquisitions of subsidiary corporations, net of cash acquired	29(b)	**–**	584
– Disposal of subsidiary corporations, net of cash disposed of	11	**(14,313)**	(2,612)
– Dividends received		**662**	207
Net cash used in investing activities		**(14,069)**	(1,872)
Cash flows from financing activities			
– Proceeds from issuance of ordinary shares		**–**	12,969
– Share issue expenses		**–**	(351)
– Proceeds from issuance of ordinary shares pursuant to exercise of warrants		**9**	1,006
– Repayment of finance lease liabilities		**–**	(17)
– Interest paid		**–**	(19)
Net cash provided by financing activities		**9**	13,588
Net (decrease)/increase in cash and cash equivalents		**(11,215)**	4,982
Cash and cash equivalents			
Beginning of financial year		**12,078**	7,318
Effects of currency translation on cash and cash equivalents		**335**	(222)
End of financial year	11	**1,198**	12,078

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

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

The financial statements of the Group and the Company for the financial year ended 30 June 2017 were authorised for issue in accordance with a resolution of directors on 5 October 2017.

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 Singapore Dollar 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 2016

On 1 July 2016, 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 current or prior financial years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Changes in accounting policy

With effect from 1 July 2016, the Group and the Company enacted to change the presentation currency from Malaysian Ringgit ("RM") to Singapore Dollar ("S$") in conjunction with the change of functional currency as disclosed in Note 2.18 to the financial statements.

The change in presentation currency has been applied retrospectively in accordance with FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Prior period comparative numbers for the Group and the Company in these financial statements have been restated in Singapore Dollars in order to provide meaningful comparable information.

In accordance with FRS 21 *The Effects of Changes in Foreign Exchange Rates*, the following methodology was followed in restating historical financial statements from RM into S$:

(i) all assets and liabilities are translated from their functional currency into the new presentation currency at the beginning of the comparative period using the opening exchange rate and retranslated at the closing rate;

(ii) income statement items are translated at average exchange rate;

(iii) share capital, other reserves and accumulated losses are restated into the new presentation currency as if it had always been the presentation currency; and

(iv) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (Continued)

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 Group's entitlement to payment has been established.

(c) *Management services fee income*

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

Other revenue:

(d) *Interest income*

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

(e) *Dividend income*

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

(f) *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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Government grants

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

2.4 Group accounting

(a) Subsidiary corporations

(i) Consolidation

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

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

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

(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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (Continued)

(a) Subsidiary corporations (Continued)

(ii) Acquisitions (Continued)

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.

(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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (Continued)

(a) Subsidiary corporations (Continued)

(iii) Disposals (Continued)

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

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

(b) Transactions with non-controlling interests

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

2.5 Property, plant and equipment

(a) Measurement

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

(b) Components of costs

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

(c) Depreciation

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

	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.

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 losses, net". 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, 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 subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

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

(b) 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 accumulated impairment losses. The cost is amortised to profit or loss over their estimated useful lives of 2 years using the straight-line method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(b) Franchise rights (Continued)

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 accumulated impairment losses. 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.

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of non-financial assets (Continued)

(a) Goodwill (Continued)

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

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

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

Intangible assets with finite useful lives, 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 lives are tested for impairment annually and whenever there is indication that the intangible assets may be impaired.

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

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. 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), “other current assets” (Note 14) 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (Continued)

(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.

(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 there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in subsequent period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

2.12 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.

2.13 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.

2.14 Leases

The Group leases office premises, motor vehicle and office equipment under operating leases from non-related parties.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 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.

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.

2.16 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Provisions (Continued)

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 statement of comprehensive income as finance expense.

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

2.17 Employee compensation

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 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.

2.18 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”).

With effect from 1 July 2016, the Company changed its functional currency from Malaysian Ringgit (“RM”) to Singapore Dollar (“S$”) after considering the following factors:

(i) the primary economic environment in which the Company operates is in Singapore after the completion of the disposal of HMS Capital Sdn Bhd and its subsidiary corporations on 4 February 2016; and

(ii) the currency in which funds from financing activities are generated is the Singapore Dollar.

The change in functional currency had been applied prospectively from 1 July 2016.

The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 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.

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

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

(c) Translation of Group entities' financial statements

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

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

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

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

Goodwill and fair value adjustments arising 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 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.

2.20 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.

2.21 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.

2.22 Dividends to Company's shareholders

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

2.23 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 annually. 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. The carrying amount of the Group's and Company's loans and receivables at the reporting date are S$14,452,000 and S$13,891,000 (2016: S$25,678,000 and S$18,984,000) respectively.

If the net present values of estimated cash flows had been lower by 10% from management's estimates for all past due loans and receivables, the allowance for impairment of the Group would have been higher by S$464,000 (2016: S$168,000).

3.2 Estimated impairment of non-financial assets

Goodwill is tested for impairment annually and whenever there is indication that the goodwill 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.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.2 Estimated impairment of non-financial assets (Continued)

The recoverable amount of goodwill is 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 during the financial year ended 30 June 2017 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.

The 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 not recognised any impairment loss (2016: S$3,794,000) during the financial year. Please refer to Note 25(e) for the sensitivity analysis.

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

4 REVENUE

	Group	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Commission income	**16,256**	8,252
Management services fee income	**73**	73
	16,329	8,325

5 EXPENSES BY NATURE

	Group	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Fees on audit services paid/payable to:		
– Auditor of the Company	**75**	51
Fees on non-audit services paid/payable to:		
– Auditor of the Company	**95**	67
– Other auditor	**13**	6
Depreciation of property, plant and equipment (Note 17)	**260**	90
Amortisation of intangible assets [Note 18(b)]	**122**	51
Advertising expenses	**135**	80
Allowance for impairment of other receivables [Note 25(b)]	**–**	1,879
Commission expenses	**15,297**	7,680
Donations	**55**	212
Employee compensation (Note 6)	**1,956**	1,470
Marketing expenses	**250**	–
Rental expenses on operating lease	**940**	654
Professional fees	**452**	693
Travelling expenses	**220**	155
Other expenses	**913**	669
Total cost of services, distribution and marketing costs and administrative expenses	**20,783**	13,757

6 EMPLOYEE COMPENSATION

	Group	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Wages and salaries	**1,944**	2,633
Employer's contribution to defined contributions plans	**156**	250
Other short-term benefits	**104**	160
	2,204	3,043
Less: Amounts attributable to discontinued operations	**(248)**	(1,573)
Amounts attributable to continuing operations (Note 5)	**1,956**	1,470

7 OTHER LOSSES, NET

	Group	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Fair value (losses)/gains		
– Financial assets designated at held for trading	**(1,912)**	1,393
Available-for-sale financial assets		
– Impairment loss (Note 15)	**–**	(3,794)
– Reclassification from other comprehensive income [Note 23(b)(ii)]	**–**	492
	–	(3,302)
Currency exchange loss – net	**(703)**	(479)
Dividend income	**662**	207
Loss on disposal of financial assets, at fair value through profit or loss	**(16)**	–
Government grant*	**46**	6
Interest income from other receivables	**268**	170
Loss on disposal of subsidiary corporations (Note 11)	**(377)**	(93,735)
Property, plant and equipment written-off	**(119)**	(59)
Reversal of other payable (Note 19)	**–**	4,000
Others	**265**	44
	(1,886)	(91,755)

* There are no conditions attached to the government grant.

8 INCOME TAXES

(a) Income tax expense/(credit)

	Group	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Tax expense/(credit) attributable to loss is made up of:		
Loss for the financial year:		
From continuing operations		
– Current income tax		
– Singapore	**16**	2
– Deferred income tax (Note 21)	**(21)**	–
	(5)	2
– Under/(over) provision in previous financial years	**77**	(5)
	72	(3)

8 INCOME TAXES (CONTINUED)

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

The tax on the Group's loss 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	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Loss before tax from:		
– continuing operations	**(6,340)**	(97,187)
– discontinued operations [Note 9(a)]	**(176)**	(506)
	(6,516)	(97,693)
Tax calculated at tax rate of 17% (2016: 17%)	**(1,108)**	(16,608)
Effects of:		
– expenses not deductible for tax purposes	**1,071**	16,552
– income not subject to tax	**(158)**	–*
– partial tax exemption and tax incentives	**(1)**	(8)
– deferred tax assets not recognised	**191**	66
– under/(over) provision in respect of previous financial years	**77**	(5)
Tax charge/(credit) recognised in profit or loss	**72**	(3)

* Less than S$1,000.

(b) Movement in current income tax liabilities

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
		(restated)		**(restated)**
Beginning of financial year	**88**	15	**2**	15
Income tax paid	**(79)**	(9)	**(79)**	(9)
Income tax expense	**16**	2	**16**	2
Under/(over) provision in previous financial years	**77**	(5)	**77**	(5)
Acquisition of subsidiary corporations [Note 29(c)]	**–**	89	**–**	–
Disposal of subsidiary corporations (Note 11)	**(89)**	–	**–**	–
Currency translation difference	**3**	(4)	**–**	(1)
End of financial year	**16**	88	**16**	2

8 INCOME TAXES (CONTINUED)

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 S$1,070,000 (2016: S$198,000) and capital allowances of S$444,000 (2016: S$201,000) 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 2017, the Group has disposed of its subsidiary corporations which has an unrecognised tax loss of S$8,000 (2016: S$15,713,000) and capital allowances of Nil (2016: S$638,000).

9 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

During the financial year ended 30 June 2017, the Company's wholly owned subsidiary Asia-Pacific Real Estate Agency Pte. Ltd. completed the disposal of Century 21 Hong Kong Limited and its wholly owned subsidiary corporation (the "C21 Group").

During the financial year ended 30 June 2016, the Company completed the disposal of HMS Capital Sdn Bhd and its subsidiary corporations (the "HMSC Group").

In compliance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, the entire results of C21 Group and HMSC Group are presented separately in the statement of comprehensive income as "Discontinued Operations".

Discontinued operations for the financial year ended 30 June 2017 include the results of C21 Group from 1 July 2016 to 15 November 2016.

Discontinued operations for the financial year ended 30 June 2016 include the results of both HMSC Group from 1 July 2015 to 4 February 2016 and C21 Group from 21 October 2015 to 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	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Revenue	**286**	3,602
Cost of sales	**(16)**	(1,526)
Gross profit	**270**	2,076
Other gains, net	**267**	167
Expenses		
– Distribution and marketing	**–**	(150)
– Administrative	**(713)**	(2,580)
– Finance	**–**	(19)
Loss before tax from discontinued operations	**(176)**	(506)
Income tax expense	**–**	–
Loss from discontinued operations	**(176)**	(506)

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

	Group	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Operating cash inflows	**9,618**	3,693
Investing cash outflows	**(5)**	(36)
Financing cash outflows	**–**	(34)
Total cash inflow	**9,613**	3,623

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

		Group	
	30.6.17	**30.6.16**	**1.7.15**
	S$'000	**S$'000**	**S$'000**
		(restated)	**(restated)**
Cash and cash equivalents	**–**	–	8,226
Trade and other receivables	**–**	–	2,304
Inventories and development expenditure	**–**	–	14,475
Other current assets	**–**	–	73
Property, plant and equipment	**–**	–	1,357
	–	–	26,435

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		
	30.6.17	**30.6.16**	**1.7.15**
	S$'000	**S$'000**	**S$'000**
		(restated)	**(restated)**
Trade and other payables	–	–	9,720
Borrowings	–	–	94
	–	–	9,814

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

	Company		
	30.6.17	**30.6.16**	**1.7.15**
	S$'000	**S$'000**	**S$'000**
		(restated)	**(restated)**
Investments in subsidiary corporations			
Unquoted equity investments, at cost	–	–	99,225
Less: Accumulated impairment loss	–	–	(95,417)
Net book value	–	–	3,808
Non-trade amounts due from subsidiary corporations	–	–	3,426
Less: Allowance for impairment	–	–	(3,426)
Non-trade amounts due from subsidiary corporations – net	–	–	–
	–	–	3,808

10 LOSS PER SHARE

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

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

	Continuing operations		**Discontinued operations**		**Total**	
	2017	**2016 (restated)**	**2017**	**2016 (restated)**	**2017**	**2016 (restated)**
Net loss attributable to equity holders of the Company (S$'000)	**(6,412)**	(97,184)	**(176)**	(506)	**(6,588)**	(97,690)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**3,891,487**	3,392,439	**3,891,487**	3,392,439	**3,891,487**	3,392,439
Effect of dilutive potential ordinary shares ('000)	**3,496,373**	2,509,166	**3,496,373**	2,509,166	**3,496,373**	2,509,166
Weighted average number of ordinary shares outstanding for diluted loss per share ('000)	**7,387,860**	5,901,605	**7,387,860**	5,901,605	**7,387,860**	5,901,605
Basic and diluted loss per share (cents per share)	**(0.16)**	(2.86)	**(0.01)**	(0.02)	**(0.17)**	(2.88)

As the Group is making losses for the financial years ended 30 June 2017 and 2016, the dilutive potential shares from the warrants are anti-dilutive and no changes are made to the diluted loss per share.

11 CASH AND CASH EQUIVALENTS

	Group			Company		
	30.6.17	30.6.16	1.7.15	30.6.17	30.6.16	1.7.15
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
		(restated)	(restated)		(restated)	(restated)
Cash at bank and on hand	**1,198**	12,078	4,266	**1,044**	6,722	4,266

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

	Group		
	30.6.17	30.6.16	1.7.15
	S$'000	S$'000	S$'000
		(restated)	(restated)
Continuing operations			
Cash and cash equivalents	**1,198**	12,078	4,266
Discontinued operations			
Cash and cash equivalents [Note 9(c)]	**–**	–	8,226
Less: Pledged short-term bank deposits	**–**	–	(5,174)
	–	–	3,052
	1,198	12,078	7,318

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.

As at 30.6.17

On 15 November 2016, the Company disposed of its entire interest in Century 21 Hong Kong Limited and its subsidiary corporation for a consideration of S$500,000.

As at 30.6.16

On 4 February 2016, the Company disposed of its entire interest in HMS Capital Sdn Bhd and its subsidiary corporations for a consideration of S$3,555,000 (equivalent to RM10,700,000).

11 **CASH AND CASH EQUIVALENTS** (CONTINUED)

Acquisition and disposal of subsidiary corporations (Continued)

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

	Group	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Carrying amounts of assets and liabilities disposed of		
Property, plant and equipment	**7**	1,348
Goodwill	**96**	–
Intangible assets	**280**	–
Cash and cash equivalents	**14,813**	8,157
Trade and other receivables	**129**	2,911
Other current assets	**96**	13,911
Total assets	**15,421**	26,327
Trade and other payables	**(14,420)**	(10,689)
Borrowings	**–**	(72)
Current tax liabilities	**(89)**	–
Deferred tax liabilities	**(46)**	–
Total liabilities	**(14,555)**	(10,761)
Net assets derecognised	**866**	15,566
Restructuring reserve [Note 23(b)(i)]	**–**	89,648
Net assets disposed of	**866**	105,214

The aggregate cash outflows arising from the disposal of subsidiary corporations were:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Net assets disposed of (as above)	**866**	105,214
Reclassification of currency translation reserve [Note 23(b)(iii)]	**11**	(7,924)
Loss on disposal (Note 7)	**(377)**	(93,735)
Cash proceeds from disposal	**500**	3,555
Less: Outstanding proceeds from disposal [Note 13(c)]	**–**	(3,011)
Less: Cash and cash equivalents in subsidiary corporations disposed of	**(14,813)**	(8,157)
Add: Pledged short-term bank deposits in subsidiary corporations disposed of	**–**	5,001
Net cash outflow on disposal	**(14,313)**	(2,612)

12 FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company		
	30.6.17 S$'000	30.6.16 S$'000 (restated)	1.7.15 S$'000 (restated)
Held for trading			
Listed securities			
– Equity securities - Malaysia	**14,355**	14,336	12,412
– Equity securities - Singapore	**669**	–	–
	15,024	14,336	12,412

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. The fair values are within level 1 of the fair value hierarchy.

13 TRADE AND OTHER RECEIVABLES

	Group			Company		
	30.6.17 S$'000	30.6.16 S$'000 (restated)	1.7.15 S$'000 (restated)	30.6.17 S$'000	30.6.16 S$'000 (restated)	1.7.15 S$'000 (restated)
Trade receivables						
– non-related parties	**4,652**	4,694	–	**–**	–	–
Other receivables						
– non-related parties	**9,803**	10,314	1,995	**9,781**	10,309	1,995
– subsidiary corporations	**–**	–	–	**4,391**	3,568	–
Less: Allowance for impairment of other receivables – non-related parties [Note 25(b)]	**(1,874)**	(1,874)	–	**(1,874)**	(1,874)	–
Other receivables – net	**7,929**	8,440	1,995	**12,298**	12,003	1,995
Interest receivables						
– non-related parties	**441**	173	–	**441**	173	–
	13,022	13,307	1,995	**12,739**	12,176	1,995

13 TRADE AND OTHER RECEIVABLES (CONTINUED)

Included in other receivables are the following:

(a) Loan to a non-related party of S$1,874,000 (30.6.16: S$1,874,000) 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 Armenia 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 in previous financial year, in view of the aborted proposed acquisition 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 previous financial year, the Company provided working capital loan to 中房联合投资 amounting to S$5,500,000. 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.

The outstanding loan due from 中房联合投资 is S$5,500,000 (30.6.16: S$5,500,000).

(c) Outstanding proceeds from the disposal of a subsidiary corporation amounting to S$2,407,000 (30.6.16: S$2,935,000).

14 OTHER CURRENT ASSETS

	Group			Company		
	30.6.17	**30.6.16**	**1.7.15**	**30.6.17**	**30.6.16**	**1.7.15**
	S$’000	**S$’000**	**S$’000**	**S$’000**	**S$’000**	**S$’000**
		(restated)	**(restated)**		**(restated)**	**(restated)**
Deposits	**232**	293	93	**108**	86	93
Prepayments	**167**	174	18	**22**	22	18
	399	467	111	**130**	108	111

15 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Beginning of financial year	**2,000**	6,492
Impairment losses (Note 7)	**–**	(3,794)
Currency translation differences	**–**	(698)
End of financial year	**2,000**	2,000

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

		Group and Company	
	30.6.17	**30.6.16**	**1.7.15**
	S$'000	**S$'000**	**S$'000**
		(restated)	**(restated)**
Unquoted equity securities – British Virgin Island	**2,000**	2,000	6,492

The available-for-sale financial assets represent 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 the Company recognised an impairment loss of S$3,794,000 in the previous financial year. The fair values are within level 3 of the fair values hierarchy.

The Group and the Company has classified the investment as available-for-sale financial assets as the Group and the Company does not have significant influence over the entity. As such, the investment does not meet the requirements as an associate company in accordance with FRS 28 *Investments in Associates and Joint Venture*.

16 INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Equity investments at cost		
Beginning of financial year	**–***	–
Additions	**–**	–*
End of financial year	**–***	–*

* Less than S$1,000.

16 INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

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 30.6.17 %	30.6.16 %	1.7.15 %	Proportion of ordinary shares directly held by Group 30.6.17 %	30.6.16 %	1.7.15 %
Held by the Company								
Asia-Pacific Real Estate Agency Pte. Ltd.(1)(3)	Investment holding	Singapore	**100**	100	–	**100**	100	–
HMS Capital Sdn Bhd(1)(5)(6)	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.(3)	Dormant	Singapore	**–**	–	–	**100**	100	–
Century 21 Hong Kong Limited(1)(2)(7)	Provision of franchise services	Hong Kong	**–**	–	–	**–**	100	–
Global Alliance Property Pte. Ltd.(4)	Real estate agency	Singapore	**–**	–	–	**100**	100	–
Global Overseas Chinese Real Estate. Net Pte. Ltd.(3)	Dormant	Singapore	**–**	–	–	**100**	100	–
Held by Century 21 Hong Kong Limited								
Century 21 Limited(1)(3)(7)	Dormant	Macau	**–**	–	–	**–**	100	–
Held by Global Alliance Property Pte. Ltd.								
Century 21 (AsPac) Realty Pte. Ltd.(3)	Real estate agency	Singapore	**–**	–	–	**100**	100	–

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 30.6.17 %	30.6.16 %	1.7.15 %	Proportion of ordinary shares directly held by Group 30.6.17 %	30.6.16 %	1.7.15 %
Held by HMS Capital Sdn Bhd								
Semenyih Memorial Hills Berhad(1)(5)(6)	Sales agent of bereavement business and operation of cemeteries	Malaysia	–	–	–	–	–	100
Jing An Memorial Village Sdn Bhd(1)(5)(6)	Provision of various bereavement services	Malaysia	–	–	–	–	–	100
SMH Bereavement Services Sdn Bhd(1)(5)(6)	Provision of various bereavement services	Malaysia	–	–	–	–	–	100
SMH Construction Sdn Bhd(1)(5)(6)	Development, construction and management of tomb, cemetery and related services	Malaysia	–	–	–	–	–	100
U&U Memorial Marketing (KL) Sdn Bhd(1)(5)(6)	Dormant	Malaysia	–	–	–	–	–	100
SMH Park Management Sdn Bhd(1)(5)(6)	Planning, operation, maintenance and management of cemetery grounds and related buildings and facilities	Malaysia	–	–	–	–	–	100

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

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

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

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

(5) Audited by GEP Associates, Malaysia, an independent member firm of AGN International Ltd.

(6) 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.

(7) On 15 November 2016, the Company's wholly-owned subsidiary corporation, Asia-Pacific Real Estate Agency Pte. Ltd. sold 3,880,000 share in Century 21 Hong Kong Limited ("C21"), resulting in C21 and its wholly-owned subsidiary corporation, Century 21 Limited, (together, the "C21 Group") ceased to be a subsidiary corporation of the Company. Accordingly, C21 Group have been classified as discontinued operations (Note 9).

17 PROPERTY, PLANT AND EQUIPMENT

	Renovation S$'000	Office equipment, furniture and fittings S$'000	Total S$'000
Group			
30.6.17			
Cost			
Beginning of financial year	395	300	695
Additions	398	59	457
Disposal of subsidiary corporations	–	(10)	(10)
Written-off	(125)	–	(125)
Currency translation differences	–	4	4
End of financial year	668	353	1,021
Accumulated depreciation			
Beginning of financial year	33	159	192
Depreciation charge (Note 5)	181	79	260
Disposal of subsidiary corporations	–	(3)	(3)
Written-off	(6)	–	(6)
Currency translation differences	–	4	4
End of financial year	208	239	447
Net book value			
End of financial year	**460**	**114**	**574**
Group			
30.6.16 (restated)			
Cost			
Beginning of financial year	–	151	151
Acquisitions of subsidiary corporations [Note 29(c)]	301	153	454
Additions	165	14	179
Written-off	(71)	(5)	(76)
Currency translation differences	–	(13)	(13)
End of financial year	395	300	695
Accumulated depreciation			
Beginning of financial year	–	128	128
Depreciation charge			
– Continuing operations (Note 5)	44	46	90
– Discontinued operations	1	1	2
Written-off	(12)	(5)	(17)
Currency translation differences	–	(11)	(11)
End of financial year	33	159	192
Net book value			
End of financial year	362	141	503

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Office equipment, furniture and fittings S$'000
Company	
30.6.17	
Cost	
Beginning of financial year	145
Additions	2
End of financial year	147
Accumulated depreciation	
Beginning of financial year	131
Depreciation charge	6
End of financial year	137
Net book value	
End of financial year	**10**
Company	
30.6.16 (restated)	
Cost	
Beginning of financial year	151
Additions	8
Written-off	(5)
Currency translation differences	(9)
End of financial year	145
Accumulated depreciation	
Beginning of financial year	128
Depreciation charge	15
Written-off	(5)
Currency translation differences	(7)
End of financial year	131
Net book value	
End of financial year	14

18 INTANGIBLE ASSETS

	Group		
	30.6.17	30.6.16	1.7.15
	S$'000	S$'000	S$'000
		(restated)	(restated)
Goodwill arising on consolidation [Note (a)]	**1,024**	1,117	–
Franchise rights [Note (b)]	**72**	465	–
	1,096	1,582	–

(a) Goodwill arising on consolidation

	Group	
	2017	2016
	S$'000	S$'000
		(restated)
Cost and net book value		
Beginning of financial year	**1,117**	–
Acquisitions of subsidiary corporations [Note 29(c)]	**–**	1,121
Disposal of subsidiary corporation (Note 11)	**(96)**	–
Currency translation differences	**3**	(4)
End of financial year	**1,024**	1,117

(b) Franchise rights

	Group	
	2017	2016
	S$'000	S$'000
		(restated)
Cost		
Beginning of financial year	**516**	–
Acquisitions of subsidiary corporations [Note 29(c)]	**–**	526
Disposal of subsidiary corporations (Note 11)	**(280)**	–
Currency translation differences	**9**	(10)
End of financial year	**245**	516
Accumulated amortisation		
Beginning of financial year	**51**	–
Amortisation charge (Note 5)	**122**	51
End of financial year	**173**	51
Net book value		
End of financial year	**72**	465

18 INTANGIBLE ASSETS (CONTINUED)

(b) Franchise rights (Continued)

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. During the financial year, the Group has disposed the subsidiary corporation that owns the right. The carrying amount of this right as at 30 June 2016 was S$271,000.

– 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 2017 was S$72,000 (2016: S$194,000).

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

(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**	
	2017 S$'000	**2016 S$'000 (restated)**	**2017 S$'000**	**2016 S$'000 (restated)**	**2017 S$'000**	**2016 S$'000 (restated)**
Singapore	**1,024**	1,024	**–**	–	**1,024**	1,024
Hong Kong	**–**	–	**–**	93	**–**	93
	1,024	1,024	**–**	93	**1,024**	1,117

Real estate agency

The impairment test has indicated that the recoverable amount of the CGU for the real estate agency is S$372,000 (30.6.16: S$1,842,000) higher than its carrying amount. If the discount rate for real estate agency has increased by 5% (30.6.16: 15%), the recoverable amount would be equal to the carrying amount.

Sub-franchise

During the current financial year, the Group has disposed the subsidiary corporation in the sub-franchise segment.

18 INTANGIBLE ASSETS (CONTINUED)

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

(ii) Indefinite life franchise right

The franchise rights were acquired upon business combination in the previous 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 has been allocated to the sub-franchise business segment. During the current financial year, the Group has disposed the subsidiary corporation which owns this right.

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.

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

	Real estate agency	**Sub-franchise**
30.6.17		
Gross margin (budgeted gross margin)	8%	–
Growth rate (weighted average growth rate used to extrapolate cash flows beyond the budget period)	2%	–
Discount rate (pre-tax discount rate applied to the pre-tax cash-flow projections)	18%	–
30.6.16		
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		
	30.6.17	**30.6.16**	**1.7.15**	**30.6.17**	**30.6.16**	**1.7.15**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
		(restated)	**(restated)**		**(restated)**	**(restated)**
Current						
Trade payables						
– non-related parties	**4,683**	4,491	–	**–**	–	–
Other payables						
– non-related parties	**163**	4,069	15	**–**	–	15
Accrued operating expenses	**339**	789	52	**59**	308	52
Deposits received	**11**	158	–	**–**	–	–
Advances received	**9**	22	–	**–**	–	–
	5,205	9,529	67	**59**	308	67
Non-current						
Other payable						
– non-related party	**–**	–	4,000	**–**	–	4,000

As at 1 July 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 sales and purchase agreement of the available-for-sale financial asset 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 (Note 7) was reversed as at 30 June 2016.

20 PROVISIONS

	Group		
	30.6.17	**30.6.16**	**1.7.15**
	S$'000	**S$'000**	**S$'000**
		(restated)	**(restated)**
Non-Current			
Provision for reinstatement cost	**204**	165	–

20 PROVISIONS (CONTINUED)

Movement in provision for reinstatement cost is as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Beginning of financial year	**165**	–
Provision made	**39**	165
End of financial year	**204**	165

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

21 DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

		Group	
	30.6.17	**30.6.16**	**1.7.15**
	S$'000	**S$'000**	**S$'000**
		(restated)	**(restated)**
Deferred income tax liabilities			
– To be settled within one year	**21**	21	–
– To be settled after one year	**–**	65	–
	21	86	–

Movement in deferred income tax account is as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
<u>Fair value of intangible assets</u>		
Beginning of financial year	**86**	–
Acquisitions of subsidiary corporations [Note 29(c)]	**–**	89
Disposal of subsidiary corporations (Note 11)	**(46)**	–
Credited to profit and loss (Note 8)	**(21)**	–
Currency translation differences	**2**	(3)
End of financial year	**21**	86

The deferred tax liabilities are recognised for the fair value of intangible assets derived upon the acquisition of subsidiary corporations during the financial year ended 30 June 2016.

22 SHARE CAPITAL

Group and Company	Number of ordinary shares '000	Amount S$'000
2017		
Beginning of financial year	3,890,796	161,325
Shares issued	1,854	9
End of financial year	**3,892,650**	**161,334**
2016 (restated)		
Beginning of financial year	1,213,184	146,634
Shares issued	2,677,612	15,042
Share issue expenses	–	(351)
End of financial year	3,890,796	161,325

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) Exercise of warrants

The Company issued in aggregate 1,854,200 new shares pursuant to the exercise of 2015 Warrants.

(b) Shares issued in previous 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 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 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 Rights cum Warrants Issue was completed during the financial year ended 30 June 2016 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.

22 **SHARE CAPITAL** (CONTINUED)

(b) **Shares issued in previous financial year** (Continued)

(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.

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
2017								
2013 Warrants	10,559,328	–	–	–	–	10,559,328	0.01	16.07.18
Introducer (SPA) Warrants	166,288,443	–	–	(166,288,443)	–	–	–	20.03.17
2014 Warrants	773,282,530	–	–	–	–	773,282,530	0.01	06.05.19
2015 Warrants	2,593,863,776	–	–	–	(1,854,200)	2,592,009,576	0.005	19.11.20
	3,543,994,077	–	–	(166,288,443)	(1,854,200)	3,375,851,434		
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		

22 SHARE CAPITAL (CONTINUED)

(c) Warrants (Continued)

(i) 2013 Warrants

The Company had on 17 July 2013 issued 34,670,447 2013 Warrants, each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company, at an exercise price of S$0.05 for each new share ("2013 Warrants") pursuant to a rights cum warrants issue (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 one 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 one 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 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").

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 one existing Introducer (SPA) Warrant held by each warrantholder; and

22 SHARE CAPITAL (CONTINUED)

(c) Warrants (Continued)

(ii) Introducer (SPA) Warrants (Continued)

(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 one 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.

The Introducer (SPA) Warrants expired on 20 March 2017.

(iii) 2014 Warrants

The Company had on 8 May 2014 issued 715,210,185 warrants, each warrant carrying the right to subscribe for one 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 ("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 one 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.

23 OTHER RESERVES

	Group			Company		
	30.6.17	**30.6.16**	**1.7.15**	**30.6.17**	**30.6.16**	**1.7.15**
	S$'000	**S$'000 (restated)**	**S$'000 (restated)**	**S$'000**	**S$'000 (restated)**	**S$'000 (restated)**
(a) Composition:						
Restructuring reserve	**–**	–	(89,648)	**–**	–	–
Fair value reserve	**–**	–	492	**–**	–	492
Translation reserve	**(15,939)**	(15,980)	(6,390)	**(15,939)**	(15,939)	(14,622)
	(15,939)	(15,980)	(95,546)	**(15,939)**	(15,939)	(14,130)

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000 (restated)**	**S$'000**	**S$'000 (restated)**
(b) Movements:				
(i) Restructuring reserve				
Beginning of financial year	**–**	(89,648)	**–**	–
Reversal of restructuring reserve on disposal of subsidiary corporations (Note 11)	**–**	89,648	**–**	–
End of financial year	**–**	–	**–**	–
(ii) Fair value reserve				
Beginning of financial year	**–**	492	**–**	492
Available-for-sale financial assets – Reclassification to profit or loss (Note 7)	**–**	(492)	**–**	(492)
End of financial year	**–**	–	**–**	–
(iii) Translation reserve				
Beginning of financial year	**(15,980)**	(6,390)	**(15,939)**	(14,622)
Net currency translation differences of financial statements of the Company and foreign subsidiary corporations	**30**	(1,666)	**–**	(1,317)
Reclassification on disposal of subsidiary corporations (Note 11)	**11**	(7,924)	**–**	–
End of financial year	**(15,939)**	(15,980)	**(15,939)**	(15,939)

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.

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	
	2017	**2016**
	S$'000	**S$'000**
		(restated)
Not later than one year	**886**	1,154
Between one and five years	**433**	1,306
	1,319	2,460

25 FINANCIAL RISK MANAGEMENT

Financial risk factors

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

The Board of Directors and 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.

25 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 Malaysia Ringgit ("RM"), 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:

	SGD S$'000	RM S$'000	USD S$'000	Others S$'000	Total S$'000
At 30 June 2017					
Financial assets					
Cash and cash equivalents	381	–	815	2	1,198
Financial assets, at fair value through profit or loss	669	14,355	–	–	15,024
Available-for-sale financial assets	2,000	–	–	–	2,000
Trade and other receivables	10,543	2,416	–	63	13,022
Other current assets	232	–	–	–	232
Receivables from subsidiary corporations	4,795	–	–	–	4,795
	18,620	16,771	815	65	36,271
Financial liabilities					
Trade and other payables	(5,164)	(7)	–	(25)	(5,196)
Payables to subsidiary corporations	(4,795)	–	–	–	(4,795)
	(9,959)	(7)	–	(25)	(9,991)
Net financial assets	8,661	16,764	815	40	26,280
Net financial assets denominated in the respective entities' functional currencies	(8,661)	–	–	–	(8,661)
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	–	16,764	815	40	17,619

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

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

	SGD S$'000	RM RM'000	HKD S$'000	USD S$'000	Total S$'000
At 30 June 2016 (restated)					
Financial assets					
Cash and cash equivalents	7,036	–	4,866	176	12,078
Financial assets, at fair value through profit or loss	–	14,336	–	–	14,336
Available-for-sale financial asset	2,000	–	–	–	2,000
Trade and other receivables	10,300	2,935	72	–	13,307
Other current assets	203	–	90	–	293
Receivables from subsidiary corporations	3,968	–	–	–	3,968
	23,507	17,271	5,028	176	45,982
Financial liabilities					
Trade and other payables	(5,250)	–	(4,257)	–	(9,507)
Payables to subsidiary corporations	(3,968)	–	–	–	(3,968)
	(9,218)	–	(4,257)	–	(13,475)
Net financial assets	14,289	17,271	771	176	32,507
Net financial assets denominated in the respective entities' functional currency	(269)	(17,271)	(769)	–	(18,309)
Currency exposure of financial assets net of those denominated in the respective entities' functional currency	14,020	–	2	176	14,198

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

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

	SGD S$'000	RM S$'000	USD S$'000	Others S$'000	Total S$'000
At 30 June 2017					
Financial assets					
Cash and cash equivalents	227	–	815	2	1,044
Financial assets, at fair value through profit or loss	669	14,355	–	–	15,024
Available-for-sale financial assets	2,000	–	–	–	2,000
Other receivables	10,332	2,407	–	–	12,739
Other current assets	108	–	–	–	108
	13,336	16,762	815	2	30,915
Financial liability					
Other payables	(59)	–	–	–	(59)
Net financial assets	13,277	16,762	815	2	30,856
Net financial assets denominated in the Company's functional currency	(13,277)	–	–	–	(13,277)
Currency exposure of financial assets net of those denominated in the Company's functional currency	–	16,762	815	2	17,579

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

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

	SGD S$'000	RM S$'000	HKD S$'000	USD S$'000	Total S$'000
At 30 June 2016 (restated)					
Financial assets					
Cash and cash equivalents	6,547	–	2	173	6,722
Financial assets, at fair value through profit or loss	–	14,336	–	–	14,336
Available-for-sale financial asset	2,000	–	–	–	2,000
Other receivables	9,241	2,935	–	–	12,176
Other current assets	86	–	–	–	86
	17,874	17,271	2	173	35,320
Financial liability					
Other payables	(308)	–	–	–	(308)
Net financial assets	17,566	17,271	2	173	35,012
Net assets financial denominated in the Company's functional currency	–	(17,271)	–	–	(17,271)
Currency exposure of financial assets net of those denominated in the Company's functional currency	17,566	–	2	173	17,741

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

If the RM and USD change against SGD by 5% (2016: 5%) and 2% (2016: 5%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset position will be as follows:

	2017 S$'000	2016 S$'000 (restated)
Group		
RM against SGD		
– Strengthened	**696**	–
– Weakened	**(696)**	–
USD against SGD		
– Strengthened	**14**	7
– Weakened	**(14)**	(7)
Company		
RM against SGD		
– Strengthened	**696**	–
– Weakened	**(696)**	–
USD against SGD		
– Strengthened	**14**	7
– Weakened	**(14)**	(7)

(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 and Singapore. 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.

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(ii) Price risk (Continued)

If price for the underlying equity securities listed in Singapore and Malaysia has changed by 5% (2016: Nil) and 5% (2016: 5%) respectively with all other variables including tax rate being held constant, the effects on loss after tax would have been:

	2017 **S$'000**	**2016** **S$'000** **(restated)**
Group and Company		
Listed in Singapore		
– increased by	**33**	–
– decreased by	**(33)**	–
Listed in Malaysia		
– increased by	**718**	717
– decreased by	**(718)**	(717)

(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.

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

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.

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

	Group		Company	
	2017 S$'000	2016 S$'000 (restated)	2017 S$'000	2016 S$'000 (restated)
China	**5,941**	5,673	**5,941**	5,673
Hong Kong	**–**	72	**–**	–
Thailand	**63**	–	**–**	–
Malaysia	**2,416**	2,935	**2,407**	2,935
Singapore	**4,602**	4,627	**4,391**	3,568
	13,022	13,307	**12,739**	12,176

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.

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	
	2017 S$'000	2016 S$'000 (restated)	2017 S$'000	2016 S$'000 (restated)
Past due < 3 months	**1,661**	1,617	**–**	1,077
Past due 3 to 6 months	**252**	64	**–**	64
Past due > 6 months	**2,727**	–	**2,407**	–
	4,640	1,681	**2,407**	1,141

25 **FINANCIAL RISK MANAGEMENT** (CONTINUED)

(b) **Credit risk** (Continued)

Financial assets that are past due and/or impaired (Continued)

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	
	2017 S$'000	2016 S$'000 (restated)	2017 S$'000	2016 S$'000 (restated)
Past due < 3 months	**1,661**	1,617	**–**	1,077
Past due 3 to 6 months	**252**	64	**–**	64
Past due > 6 months	**4,601**	1,874	**4,281**	1,874
	6,514	3,555	**4,281**	3,015
Less: Allowance for impairment	**(1,874)**	(1,874)	**(1,874)**	(1,874)
	4,640	1,681	**2,407**	1,141
Beginning of financial year	**1,874**	–	**1,874**	–
Allowance made (Note 5)	**–**	1,879	**–**	1,879
Currency translation differences	**–**	(5)	**–**	(5)
End of financial year	**1,874**	1,874	**1,874**	1,874

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 in the operating entities of the Group in accordance with the practice and limits set by the Group.

25 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 S$'000	2 to 5 years S$'000	Over 5 years S$'000	Total S$'000
Group				
At 30 June 2017				
Trade and other payables	**5,196**	**–**	**–**	**5,196**
At 30 June 2016 (restated)				
Trade and other payables	9,507	–	–	9,507
Company				
At 30 June 2017				
Trade and other payables	**59**	**–**	**–**	**59**
At 30 June 2016 (restated)				
Trade and other payables	308	–	–	308

(d) Capital risk

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

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

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk (Continued)

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

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000 (restated)**	**S$'000**	**S$'000 (restated)**
Net debt	**4,007**	(2,549)	**(985)**	(6,414)
Total equity	**27,867**	34,405	**30,872**	35,046
Total capital	**31,874**	31,856	**29,887**	28,632
Gearing ratio	**13%**	–*	**–***	–*

* Not meaningful

The Group and the Company have no externally imposed capital requirements for the financial years ended 30 June 2017 and 2016.

(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).

25 **FINANCIAL RISK MANAGEMENT** (CONTINUED)

(e) **Fair value measurements** (Continued)

Group and Company	**Level 1 S$'000**	**Level 2 S$'000**	**Level 3 S$'000**	**Total S$'000**
2017				
Assets				
Financial assets, at fair value through profit or loss	**15,024**	**–**	**–**	**15,024**
Available-for-sale financial assets	**–**	**–**	**2,000**	**2,000**
	15,024	**–**	**2,000**	**17,024**
2016 (restated)				
Assets				
Financial assets, at fair value through profit or loss	14,336	–	–	14,336
Available-for-sale financial assets	–	–	2,000	2,000
	14,336	–	2,000	16,336

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 the current bid price. These instruments are included in Level 1.

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

Level 3 fair value measurement

As at 30 June 2016, in view that management had the intention to dispose of the financial assets, the fair value of the financial assets was determined based on the bid price from the potential buyer. Subsequently, the deal did not materialise.

As at 30 June 2017, management has found another potential buyer and the fair value of the financial assets is determined based on the bid price from this potential buyer.

If the bid price had been 5% lower than the potential buyer's bid price, the Group and the Company would have recognised a further impairment loss of S$100,000 (2016: S$100,000).

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (Continued)

Level 3 fair value measurement (Continued)

The following table presents the changes in level 3 instruments:

Group and Company	Available-for-sale financial assets S$'000
2017	
Beginning and end of financial year	**2,000**
2016	
Beginning of financial year	6,492
Impairment loss on financial assets	(3,794)
Currency translation differences	(698)
End of financial year	2,000

(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	
	2017 S$'000	2016 S$'000 (restated)	2017 S$'000	2016 S$'000 (restated)
Loans and receivables	**14,452**	25,678	**13,891**	18,984
Financial liabilities at amortised cost	**5,196**	9,507	**59**	308

26 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	
	2017	**2016**
	S$'000	**S$'000**
		(Restated)
Wages and salaries	**879**	685
Employer's contribution to defined contribution plans	**36**	26
	915	711
Comprises amounts paid to:		
Directors		
– Wages and salaries	**598**	553
– Employer's contribution to defined contribution plans	**24**	21
	622	574
Other key management personnel	**293**	137
	915	711

27 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 Operating Officer ("COO") 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

27 SEGMENT INFORMATION (CONTINUED)

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

	Singapore		
	Investment S$'000	Real estate agency S$'000	Total S$'000
Group			
2017			
Revenue from external parties	73	16,256	16,329
Gross profit	73	959	1,032
Other (losses)/gains, net	(2,060)	174	(1,886)
Distribution and marketing expenses	(250)	(295)	(545)
Administrative expenses	(2,746)	(2,195)	(4,941)
Loss before income tax	(4,983)	(1,357)	(6,340)
Income tax (expense)/credit	(93)	21	(72)
Total loss for the financial year	(5,076)	(1,336)	(6,412)
Depreciation	(6)	(254)	(260)
Amortisation	–	(122)	(122)
Segment assets	26,556	6,757	33,313
Segment assets includes			
Additions to:			
– Property, plant and equipment	2	450	452
Segment liabilities	75	5,371	5,446

27 SEGMENT INFORMATION (CONTINUED)

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

	← Singapore	→	Hong Kong	
	Investment S$'000	Real estate agency S$'000	Sub-franchisee S$'000	Total S$'000
Group				
2016 (restated)				
Revenue from external parties	73	8,252	–	8,325
Gross profit	73	572	–	645
Other (losses)/gains, net	(91,759)	4	–	(91,755)
Distribution and marketing expenses	–	(89)	–	(89)
Administrative expenses	(4,970)	(1,018)	–	(5,988)
Loss before income tax	(96,656)	(531)	–	(97,187)
Income tax credit	3	–	–	3
Total loss for the financial year	(96,653)	(531)	–	(97,184)
Depreciation	(15)	(75)	–	(90)
Amortisation	–	(51)	–	(51)
Segment assets	31,788	7,085	5,400	44,273
Segment assets includes				
Additions to:				
– Property, plant and equipment	8	170	1	179
– Intangible assets				
– Franchise rights	–	244	282	526
– Goodwill	–	1,024	97	1,121
Segment liabilities	312	5,168	4,388	9,868

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	
	2017 S$'000	2016 S$'000
Non-current assets		
Singapore	**1,670**	1,719
Hong Kong	**–**	366

27 SEGMENT INFORMATION (CONTINUED)

Revenue from major services

There is no single external customer that contributed to 10% or more of the revenue for the financial years ended 30 June 2017 and 2016.

28 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 CREU Acquisition").

The Target Company is a company incorporated in China. The Target Company and its subsidiary corporations (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 10 July 2017, the Long Stop Date of the S&P Agreement is extended to 10 October 2017.

The Company and the Vendors have also agreed that in light of the sale and purchase agreement entered into between the Company and 中房联合置业集团有限公司 relating to the sale and purchase of 72% of the issued equity interest of 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 on 10 July 2017, the Company and the Vendors will further negotiate the terms of the S&P Agreement (including but not limited to the Aggregate Consideration) when approval of the Ministry of Commerce of the People's Republic of China is obtained in relation to the sale and purchase of the Sale Interests.

28 EVENTS OCCURRING AFTER BALANCE SHEET DATE (CONTINUED)

Proposed Acquisition of 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 (together, the "Target Companies")

On 10 July 2017, the Company entered into a conditional sale and purchase agreement (the "Huzhou SPA") with 中房联合置业集团有限公司 whereby the Company will acquire 72% of the rights and interest of and in the Target Companies (the "Proposed Huzhou Acquisition"). The Target Companies were part of the group of companies proposed to be acquired by the Company pursuant to the S&P Agreement. The Company has decided to proceed with the proposed acquisition of the Target Companies while working towards the fulfilment of conditions precedent for the Proposed CREU Acquisition.

The aggregate consideration of the Proposed Huzhou Acquisition shall be RMB57,600,000. The completion of the Proposed Huzhou Acquisition is conditional upon, *inter alia*, approval of the shareholders.

Incorporation of new subsidiary corporation

On 18 July 2017, the Company incorporated a wholly-owned subsidiary corporation, namely 亚太置地（北京）信息咨询有限公司, in the People's Republic of China. The registered capital of the subsidiary corporation is RMB10,000,000. The principal activity of the subsidiary corporation is provision of real estate related advisory services. The subsidiary corporation is dormant as at the reporting date.

The above transaction is not expected to have any material impact to the earnings per share and net tangible assets per share of the Company for the current financial year.

Proposed Rights cum Warrants Issue

As announced on 12 September 2017, the Company is undertaking a renounceable partially-underwritten, fully-underwritten if based on Existing Share Capital, rights issue (the "Rights cum Warrants Issue") of up to 14,537,002,596 new ordinary shares of the Company (the "Shares") with up to 14,537,002,596 free detachable warrants, on the basis of two rights shares for every one existing Share held by shareholders of the Company (the "Shareholders") as at a books closure date to be determined and one Warrant for every one Rights Share subscribed.

The Rights cum Warrants Issue is subject to, inter alia, the approval of the Shareholders, which will be sought at the extraordinary general meeting of the Company (the "EGM") to be convened. A circular to Shareholders containing further information on the Rights cum Warrants Issue, together with the notice of the EGM, will be despatched to Shareholders in due course.

29 BUSINESS COMBINATION

On 21 October 2015, 2 February 2016 and 10 March 2016 (the "acquisition dates"), 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 S$'000	Global Alliance Property Pte. Ltd. S$'000	Century 21 (AsPac) Realty Pte. Ltd. S$'000	Total S$'000
Purchase considerations				
– Issue of new ordinary shares as consideration for acquisition of indirect subsidiary corporations [Note 22(a)(iii)]	1,067	–	–	1,067
– Cash paid	–	1,000	200	1,200
Consideration transferred for the business	1,067	1,000	200	2,267

(b) Effects on cash flows of the Group

	Century 21 Hong Kong Limited S$'000	Global Alliance Property Pte. Ltd. S$'000	Century 21 (AsPac) Realty Pte. Ltd. S$'000	Total S$'000
Cash paid (as above)	–	1,000	200	1,200
Less: cash and cash equivalents in subsidiary corporations acquired	(1,593)	(119)	(72)	(1,784)
Cash (inflow)/outflow on acquisition	(1,593)	881	128	(584)

29 BUSINESS COMBINATION (CONTINUED)

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

	Century 21 Hong Kong Limited S$'000	Global Alliance Property Pte. Ltd. S$'000	Century 21 (AsPac) Realty Pte. Ltd. S$'000	Total S$'000
Identifiable assets acquired and liabilities assumed				
Property, plant and equipment (Note 17)	4	383	67	454
Franchise rights (included in intangibles) [Note 18(b)]	282	244	–	526
Trade and other receivables	92	2,148	155	2,395
Other current assets	12	44	–	56
Cash and cash equivalents	1,593	119	72	1,784
	1,983	2,938	294	5,215
Trade and other payables	(876)	(2,036)	(480)	(3,392)
Current tax liabilities [Note 8(b)]	(89)	–	–	(89)
Deferred tax liabilities (Note 21)	(47)	(42)	–	(89)
Total liabilities	(1,012)	(2,078)	(480)	(3,570)
Total identifiable net assets	971	860	(186)	1,645
Add: Goodwill [Note 18(a)]	97	639	385	1,121
Consideration transferred for the business	1,068	1,499	199	2,766

(d) Acquisition-related costs

Acquisition-related costs of S$134,000 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 S$2,395,000.

(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.

29 BUSINESS COMBINATION (CONTINUED)

(g) Revenue and profit contribution

Century 21 Hong Kong Limited contributed revenue of S$729,000 and net loss of S$13,000 for the period from 21 October 2015 to 30 June 2016. Global Alliance Property Pte. Ltd. contributed revenue of S$7,405,000 and net loss of S$428,000 for the period from 2 February 2016 to 30 June 2016. Century 21 (AsPac) Realty Pte. Ltd. contributed revenue of S$846,000 and net loss of S$97,000 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 30 June 2016 would have been S$15,649,000 and S$97,137,000 respectively.

30 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 2017 or later periods and which the Group and the Company has not early adopted:

<u>Effective for annual period beginning on or after 1 January 2017</u>
- Amendments to FRS 7: Disclosure Initiative
- Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses
- Improvements to FRSs (December 2016)
  - Amendments to FRS 112: Disclosure of Interest in Other Entities

<u>Effective for annual periods beginning on or after 1 January 2018</u>
- FRS 109 *Financial Instruments*
- FRS 115 *Revenue from Contracts with Customers*
- Amendments to FRS 40 Transfers of Investment Property
- Amendments to FRS 102 Classification and Measurement of Share-based Payment Transactions
- Amendments to FRS 115 Clarifications to FRS 115 Revenue from Contracts with Customers
- INT FRS 122 *Foreign Currency Transactions and Advance Consideration*
- Improvements to FRSs (December 2016)
  - Amendments to FRS 101: First-time Adoption of Financial Reporting Standards
  - Amendments to FRS 28: Investments in Associates and Joint Ventures

<u>Effective for annual periods beginning on or after 1 January 2019</u>
- FRS 116 *Leases*

<u>Effective date to be determined</u>
- Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

30 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

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 except for the following:

- FRS 115 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018)

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  Step 1: Identify the contract(s) with a customer
  Step 2: Identify the performance obligations in the contract
  Step 3: Determine the transaction price
  Step 4: Allocate the transaction price to the performance obligations in the contract
  Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessment of the impact over the next twelve months.

- FRS 116 *Leases*

  FRS 116 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  The standard will affect primarily the accounting for the Group's operating leases. However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

STATISTICS OF **SHAREHOLDINGS**

AS AT 18 SEPTEMBER 2017

SHAREHOLDERS INFORMATION

Share Capital

Issued and fully paid-up capital	:	S$163,695,564
Number of shares issued	:	3,892,649,864
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	2,688	66.42	34,642	0.00
100 – 1,000	377	9.31	137,091	0.00
1,001 – 10,000	131	3.24	639,660	0.02
10,001 – 1,000,000	669	16.53	190,605,850	4.90
1,000,001 and above	182	4.50	3,701,232,621	95.08
TOTAL	**4,047**	**100.00**	**3,892,649,864**	**100.00**

Twenty Largest Shareholders

		No. of Shares	%
1.	Citibank Nominees Singapore Pte Ltd	553,776,508	14.23
2.	Raffles Nominees (Pte) Ltd	480,412,078	12.34
3.	Hano Maeloa	307,118,154	7.89
4.	Phillip Securities Pte Ltd	212,441,979	5.46
5.	DBS Vickers Securities (S) Pte Ltd	151,556,691	3.89
6.	Maybank Kim Eng Securities Pte Ltd	143,368,081	3.68
7.	DBS Nominees Pte Ltd	107,384,672	2.76
8.	UOB Kay Hian Pte Ltd	106,251,497	2.73
9.	Ng Kai Man	99,999,999	2.57
10.	Ge Jianming	99,370,300	2.55
11.	Goh Yeo Hwa	66,934,000	1.72
12.	Teo Choon Leng Jeffrey	64,000,000	1.64
13.	Choo Yeow Ming	62,910,000	1.62
14.	OCBC Securities Private Ltd	59,485,054	1.53
15.	Leong Fook Weng	52,798,156	1.36
16.	Goh Yew Lay	51,500,000	1.32
17.	Faizal Bin Ahmad Stalin	46,800,000	1.20
18.	Heng Wah Chong (Wang Hezong)	46,300,000	1.19
19.	Goh Yeu Toh	46,265,000	1.19
20.	Tan Kay Choon	44,200,000	1.13
TOTAL		**2,802,872,169**	**72.00**

STATISTICS OF **SHAREHOLDINGS**

AS AT 18 SEPTEMBER 2017

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

	Direct Interest		Deemed Interest	
Name of Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**
1. Choo Yeow Ming[(1)(2)]	605,645,532	15.56	352,479,500	9.06
2. Hano Maeloa	307,118,154	7.89	–	–
3. Goh Yeo Hwa[(3)]	212,441,979	5.46	–	–

(1) Choo Yeow Meng'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 (1.59%), Seymour Pacific Limited (3.10%) and Orient Achieve Limited (4.37%). These deemed interest are held through nominees.

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

Percentage of Shareholdings in Hand of Public

Based on information available to the Company, as at 18 September 2017, 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 18 SEPTEMBER 2017

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
10,000 – 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 18 SEPTEMBER 2017

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	7	1.54	294	0.00
100 – 1,000	6	1.31	2,657	0.00
1,001 – 10,000	124	27.19	561,884	0.07
10,000 – 1,000,000	260	57.02	49,001,744	6.34
1,000,001 and above	59	12.94	723,715,951	93.59
TOTAL	**456**	**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	93,025,933	12.03
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	39,049,749	5.05
6.	Kong Hongmei	26,444,437	3.42
7.	Ong Hock Khiow	23,887,500	3.09
8.	OCBC Securities Private Ltd	18,023,658	2.33
9.	Leow Fan Siew	17,062,500	2.21
10.	Raffles Nominees (Pte) Ltd	14,351,998	1.85
11.	Liew Pok Tze	12,187,500	1.58
12.	Maybank Kim Eng Securities Pte Ltd	12,021,166	1.55
13.	Oei Siu Hoa @ Sukmawati Widjaja	11,902,312	1.54
14.	Tok Boon Seong	11,887,932	1.54
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	6,778,030	0.88
20.	Lai Voon Nee	6,118,125	0.79
TOTAL		**638,358,778**	**82.55**

STATISTICS OF **SHAREHOLDINGS**

AS AT 18 SEPTEMBER 2017

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	21	3.62	1,795	0.00
100 – 1,000	15	2.59	10,914	0.00
1,001 – 10,000	23	3.96	137,700	0.00
10,000 – 1,000,000	372	64.14	115,756,764	4.47
1,000,001 and above	149	25.69	2,476,102,403	95.53
TOTAL	**580**	**100.00**	**2,592,009,576**	**100.00**

Twenty Largest Warrant Holders

		No. of Warrants	%
1.	Citibank Nominees Singapore Pte Ltd	359,451,000	13.87
2.	Raffles Nominees (Pte) Ltd	317,573,552	12.25
3.	Hano Maeloa	204,745,436	7.90
4.	Goh Yeo Hwa	168,894,100	6.51
5.	Phillip Securities Pte Ltd	90,231,476	3.48
6.	UOB Kay Hian Pte Ltd	83,058,946	3.20
7.	Ng Kai Man	66,666,666	2.57
8.	DBS Nominees Pte Ltd	65,465,697	2.52
9.	Ge Jianming	62,271,800	2.40
10.	Goh Yew Lay	51,500,000	1.99
11.	Diana Sng Siew Khim	49,667,600	1.92
12.	Choo Yeow Ming	41,940,000	1.62
13.	Teo Choon Leng Jeffrey	41,000,000	1.58
14.	Heng Wah Chong (Wang Hezong)	31,300,000	1.21
15.	Goh Yeu Toh	31,265,000	1.21
16.	Lim Soon Fang	30,000,000	1.16
17.	Maybank Kim Eng Securities Pte Ltd	29,302,900	1.13
18.	Leong Fook Weng	28,532,104	1.10
19.	OCBC Securities Private Ltd	22,774,855	0.88
20.	Ong Hock Khiow	22,000,000	0.85
TOTAL		**1,797,641,132**	**69.35**

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

NOTICE OF THE ANNUAL GENERAL MEETING

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, 30 October 2017 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 2017 together with the Auditor's Report thereon.	Resolution 1
2.	To re-elect Dato' Dr Choo Yeow Ming, 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 Hano Maeloa, 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 2018, 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 2018 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);

(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, 13 October 2017

Explanatory Notes

(1) **Resolution 2** – Dato' Dr Choo Yeow Ming, upon re-election as a Director of the Company, will remain as Chairman and CEO and a member of the Nominating Committee of the Company.

(2) **Resolution 3** – Mr Hano Maeloa, upon re-election as a Director of the Company, will remain as Non-executive Director of the Company.

(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.

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 one or more 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.

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Incorporated in the Republic of Singapore)

(Registration No. 200609901H)

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 be used by them.
3. Please read the notes to the Proxy Form.

PROXY FORM – ANNUAL GENERAL MEETING

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, 30 October 2017 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 2017, together with the Auditors' Report thereon.		
Resolution 2	To re-elect Dato' Dr Choo Yeow Ming, a Director retiring pursuant to Article 91 of the Company's Constitution.		
Resolution 3	To re-elect Mr Hano Maeloa, 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 2018.		
Resolution 5	To re-appoint Messrs Nexia TS Public Accounting Corporation as Auditor of the Company for the financial year ending 30 June 2018 and to authorize the directors to fix their remuneration.		
	SPECIAL BUSINESS		
Resolution 6	To approval the proposed share issue mandate.		

Date this ________ day of ______________ 2017

Total Number of Shares held in:	
CDP Register	
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 2 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 (“**CPF**”) 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 13 October 2017.

This page has been intentionally left blank

This page has been intentionally left blank

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Dato' Dr Choo Yeow Ming
Chairman & CEO

Lee Keng Mun
Executive Director & COO

Hano Maeloa
Non-Executive Director

Dr Lam Lee G.
Lead Independent Director

Chew Soo Lin
Independent Director

Yap Siean Sin
Independent Director

AUDIT COMMITTEE

Yap Siean Sin
Chairman

Chew Soo Lin
Dr Lam Lee G.

NOMINATING COMMITTEE

Dr Lam Lee G.
Chairman

Chew Soo Lin
Dato' Dr Choo Yeow Ming

REMUNERATION COMMITTEE

Chew Soo Lin
Chairman

Dr Lam Lee G.
Yap Siean Sin

COMPANY SECRETARY

Yap Wai Ming, LLB. (Hons)

REGISTERED OFFICE

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

SHARE REGISTRAR

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

AUDITOR

Nexia TS Public Accounting Corporation
100 Beach Road
#30-00 Shaw Tower
Singapore 189702
Director-in-charge: Lee Look Ling
Appointed since financial year ended 30 June 2016

INFORMATION ON MAJOR SUBSIDIARY

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

Artist's impression of the Medical Health Management Centre – this premier facility will offer patients and visitors an enhanced healthcare experience.

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

A bird's eye view of the entire Huzhou Project in Zhejiang province.