



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Financial Statements And Related Announcement for the Nine Months and Third Quarter Ended 31 March 2017

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Note | 3rd Qtr Ended | | Increase/ (decrease) % | 9 Months Ended | | Increase/ (decrease) % |
|--|------|----------------|------------------------|------------------------------|-----------------|------------------------|------------------------------|
| | | 31/03/17 | 31/03/16 (restated) | | 31/03/17 | 31/03/16 (restated) | |
| | | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| <u>Continuing operations</u> | | | | | | | |
| Revenue | | 3,558 | 3,979 | (10.6) | 11,864 | 4,016 | 195.4 |
| Cost of sales | | <u>(3,333)</u> | <u>(3,550)</u> | (6.1) | <u>(11,151)</u> | <u>(3,550)</u> | 214.1 |
| Gross profit | | 225 | 429 | (47.6) | 713 | 466 | 53.0 |
| Other loss, net | | (96) | (94,163) | (99.9) | (1,189) | (96,422) | (98.8) |
| Selling and distribution | | (79) | (77) | 2.6 | (439) | (77) | 470.1 |
| Administrative expenses | | <u>(1,158)</u> | <u>(907)</u> | 27.7 | <u>(3,854)</u> | <u>(2,197)</u> | 75.4 |
| Loss before income tax | | (1,108) | (94,718) | (98.8) | (4,769) | (98,230) | (95.1) |
| Income tax credit/(expense) | A | <u>5</u> | <u>-</u> | n.m. | <u>(61)</u> | <u>-</u> | n.m. |
| Loss from continuing operations | B | <u>(1,103)</u> | <u>(94,718)</u> | (98.8) | <u>(4,830)</u> | <u>(98,230)</u> | (95.1) |
| <u>Discontinued operations</u> | | | | | | | |
| Loss from discontinued operations | | <u>-</u> | <u>(211)</u> | n.m. | <u>(176)</u> | <u>(381)</u> | 53.8 |
| Total loss | | <u>(1,103)</u> | <u>(94,929)</u> | (98.8) | <u>(5,006)</u> | <u>(98,611)</u> | (94.9) |
| Other comprehensive income: | | | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | | | |
| Foreign currency translation | | <u>-</u> | <u>1,875</u> | n.m. | <u>29</u> | <u>(963)</u> | n.m. |
| Total comprehensive loss | | <u>(1,103)</u> | <u>(93,054)</u> | (98.8) | <u>(4,977)</u> | <u>(99,574)</u> | (95.0) |

n.m. = Not meaningful.

This announcement 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 ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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

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1(a)(ii) Notes to statement of comprehensive income

A. Income tax credit/(expense)

| | 3rd Qtr Ended | | Increase/ | 9 Months Ended | | Increase/ |
|---|---------------|-----------------------|------------|----------------|-----------------------|------------|
| | 31/03/17 | 31/03/16 | (decrease) | 31/03/17 | 31/03/16 | (decrease) |
| | S\$'000 | (restated) S\$'000 | % | S\$'000 | (restated) S\$'000 | % |
| Income tax credit/(expense) | | | | | | |
| - Under provision in respect of prior years | - | - | n.m. | (76) | - | n.m. |
| - Deferred income tax | 5 | - | n.m. | 15 | - | n.m. |
| | <u>5</u> | <u>-</u> | n.m. | <u>(61)</u> | <u>-</u> | n.m. |

B. The net loss is determined after crediting/(charging) the following:

| | Note | 3rd Qtr Ended | | Increase/ | 9 Months Ended | | Increase/ |
|--|-------|---------------|-----------------------|------------|----------------|-----------------------|------------|
| | | 31/03/17 | 31/03/16 | (decrease) | 31/03/17 | 31/03/16 | (decrease) |
| | | S\$'000 | (restated) S\$'000 | % | S\$'000 | (restated) S\$'000 | % |
| Foreign exchange (loss)/gain | (i) | (310) | 389 | n.m. | (800) | (137) | 483.9 |
| Investment income: | | | | | | | |
| - Fair value loss on financial assets at fair value through profit or loss | (ii) | (202) | (90) | 124.4 | (992) | (953) | (4.1) |
| - Dividend income | (iii) | 288 | - | n.m. | 662 | 207 | 219.8 |
| Allowance for impairment of other receivables | (iv) | - | (27) | n.m. | - | (1,875) | n.m. |
| Loss on disposal of subsidiary | (v) | - | (93,740) | n.m. | (337) | (93,740) | (99.6) |
| Interest income: | | | | | | | |
| - Interest from other receivables | (vi) | 67 | 101 | (33.7) | 206 | 101 | 104.0 |
| Depreciation and amortisation | (vii) | (101) | (27) | 274.1 | (268) | (34) | 688.2 |

n.m. = Not meaningful.

Note (i)

The increase in exchange loss in 3QFY17 and 9MFY17 was due to the weakening of underlying currency of the financial assets, Ringgit Malaysia, against the reporting currency, Singapore Dollar, during 3QFY17 and 9MFY17.

Note (ii)

The Group reported a fair value loss of S\$202,000 on financial assets in 3QFY17 as compared to S\$90,000 in 3QFY16 due mainly to the fluctuation in quoted prices of investments.

Note (iii)

The dividend income reported in 3QFY17 and 9MFY17 was derived from the financial assets at fair value through profit or loss.

Note (iv)

The allowance for impairment of other receivables in 3QFY16 was for the amount paid on behalf of the vendor of Coeur Gold Armenia Limited to consultants for technical due diligence carried out in connection with the proposed acquisition of Coeur Gold Armenia Limited which has since been terminated.

Note (v)

The loss on disposal of subsidiary reported in 9MFY17 is with respect to the disposal of Century 21 Hong Kong Limited (“C21 HK”) which was completed on 15 November 2016. The loss on disposal of subsidiary in 9MFY16 arose from the disposal of HMS Capital Sdn Bhd (“HMSC”), which was completed on 4 February 2016.

Note (vi)

The interest income from other receivables was derived from working capital loans granted to China Real Estate Development Group in November 2016. The higher interest income from other receivables in 9MFY17 was due to interest accrual for 9 months as opposed to 5 months in 9MFY16. The higher interest income in 3QFY16 was due to additional accrual of interest income for 2QFY16.

Note (vii)

The higher depreciation and amortization in 3QFY17 and 9MFY17 was due to the inclusion of the full third quarter expenses of the two new wholly-owned subsidiaries, Global Alliance Property Pte Ltd and Century 21 (AsPac) Realty Pte Ltd as well as increased in depreciable assets

1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediate preceding financial year.

| | 31/03/2017 | Group 30/06/2016 (restated) | 30/06/2015 (restated) |
|---|---------------|-----------------------------------|--------------------------|
| | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 1,952 | 12,078 | 4,266 |
| Financial assets, at fair value through profit or loss | 15,676 | 14,336 | 12,412 |
| Trade and other receivables | 11,399 | 13,307 | 1,995 |
| Other current assets | 384 | 467 | 111 |
| Available-for-sale financial assets | 2,000 | 2,000 | - |
| | <u>31,411</u> | <u>42,188</u> | <u>18,784</u> |
| Assets of disposal group classified as held-for-sale | - | - | 26,435 |
| | <u>31,411</u> | <u>42,188</u> | <u>45,219</u> |
| Non-current assets | | | |
| Available-for-sale financial assets | - | - | 6,140 |
| Property, plant and equipment | 599 | 503 | 23 |
| Intangible assets | 1,126 | 1,582 | - |
| | <u>1,725</u> | <u>2,085</u> | <u>6,163</u> |
| Total assets | <u>33,136</u> | <u>44,273</u> | <u>51,382</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 3,496 | 9,529 | 67 |
| Current income tax liabilities | - | 88 | 15 |
| | <u>3,496</u> | <u>9,617</u> | <u>82</u> |
| Liabilities directly associated with disposal group classified as held-for-sale | - | - | 9,814 |
| | <u>3,496</u> | <u>9,617</u> | <u>9,896</u> |
| Non-current liabilities | | | |
| Other payable | - | - | 3,766 |
| Provisions | 165 | 165 | - |
| Deferred income tax liabilities | 26 | 86 | - |
| | <u>191</u> | <u>251</u> | <u>3,766</u> |
| Total liabilities | <u>3,687</u> | <u>9,868</u> | <u>13,662</u> |
| Net assets | <u>29,449</u> | <u>34,405</u> | <u>37,720</u> |

| | 31/03/2017 | Group 30/06/2016 (restated) | 30/06/2015 (restated) |
|---|-------------------|--|----------------------------------|
| | S\$'000 | S\$'000 | S\$'000 |
| EQUITY | | | |
| Capital and reserves attributable to equity holders of the Company | | | |
| Share capital | 161,334 | 161,325 | 146,634 |
| Other reserves | (15,939) | (16,001) | (95,664) |
| Accumulated losses | <u>(115,946)</u> | <u>(110,919)</u> | <u>(13,250)</u> |
| Total equity | <u>29,449</u> | <u>34,405</u> | <u>37,720</u> |

| | 31/03/2017 | Company 30/06/2016 (restated) | 30/6/2015 (restated) |
|---|---------------|-------------------------------------|-------------------------|
| | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 1,805 | 6,722 | 4,266 |
| Financial assets, at fair value through profit or loss | 15,675 | 14,336 | 12,412 |
| Other receivables | 12,538 | 12,176 | 1,995 |
| Other current assets | 170 | 108 | 111 |
| Available-for-sale financial assets | 2,000 | 2,000 | - |
| | <u>32,188</u> | <u>35,342</u> | <u>18,784</u> |
| Assets of disposal group classified as held-for-sale | - | - | 3,808 |
| | <u>32,188</u> | <u>35,342</u> | <u>22,592</u> |
| Non-current assets | | | |
| Available-for-sale financial assets | - | - | 6,140 |
| Investment in subsidiary corporations | _* | _* | - |
| Property, plant and equipment | 10 | 14 | 23 |
| | <u>10</u> | <u>14</u> | <u>6,163</u> |
| Total assets | <u>32,198</u> | <u>35,356</u> | <u>28,755</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Other payables | 14 | 308 | 67 |
| Current income tax liabilities | - | 2 | 15 |
| | <u>14</u> | <u>310</u> | <u>82</u> |
| Non-current liabilities | | | |
| Other payable | - | - | 3,766 |
| Total liabilities | <u>14</u> | <u>310</u> | <u>3,848</u> |
| Net assets | <u>32,184</u> | <u>35,046</u> | <u>24,907</u> |
| EQUITY | | | |
| Capital and reserves attributable to equity holders of the Company | | | |
| Share capital | 161,334 | 161,325 | 146,634 |
| Other reserves | (15,939) | (15,939) | (14,248) |
| Accumulated losses | (113,211) | (110,340) | (107,479) |
| Total equity | <u>32,184</u> | <u>35,046</u> | <u>24,907</u> |

* Less than S\$1,000.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

The Group does not have any borrowings or debt securities.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | 3rd Qtr Ended | | 9 Months Ended | |
|---|----------------------|---------------------------------|-----------------------|---------------------------------|
| | 31/03/2017 | 31/03/2016 (restated) | 31/03/2017 | 31/03/2016 (restated) |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from operating activities | | | | |
| Total loss | (1,103) | (94,929) | (5,006) | (98,611) |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 70 | 29 | 176 | 37 |
| Amortisation of intangible assets | 31 | - | 92 | - |
| Property, plant and equipment written-off | - | 59 | 119 | 59 |
| Income tax expense | (5) | - | 61 | - |
| Interest expense | - | 3 | - | 19 |
| Interest income | (67) | (121) | (206) | (228) |
| Loss on disposal of subsidiary | - | 93,740 | 377 | 93,740 |
| | <u>(1,074)</u> | <u>(1,219)</u> | <u>(4,387)</u> | <u>(4,984)</u> |
| Changes in working capital | | | | |
| Inventories and development expenditure | - | (90) | - | 84 |
| Trade and other receivables | 571 | (4,438) | 1,989 | (9,453) |
| Other current assets | (97) | (432) | (11) | (374) |
| Financial assets, at fair value through profit or loss | (190) | 80 | (1,340) | (296) |
| Trade and other payables | (123) | 5,969 | 8,069 | 8,525 |
| | <u>(913)</u> | <u>(130)</u> | <u>4,320</u> | <u>(6,498)</u> |
| Cash (used in)/from operations | <u>(913)</u> | <u>(130)</u> | <u>4,320</u> | <u>(6,498)</u> |
| Income tax paid | (77) | (5) | (79) | (12) |
| Interest received | - | 121 | - | 228 |
| | <u>(990)</u> | <u>(14)</u> | <u>4,241</u> | <u>(6,282)</u> |
| Net cash (used in)/from operating activities | <u>(990)</u> | <u>(14)</u> | <u>4,241</u> | <u>(6,282)</u> |
| Cash flows from investing activities | | | | |
| Additions to property, plant and equipment | (198) | (10) | (397) | (51) |
| Net cash outflow from disposal of subsidiary | - | 395 | (14,313) | 395 |
| Net cash inflow from acquisition of subsidiary | - | (1,008) | - | 585 |
| | <u>(198)</u> | <u>(623)</u> | <u>(14,710)</u> | <u>929</u> |
| Net cash (used in)/from investing activities | <u>(198)</u> | <u>(623)</u> | <u>(14,710)</u> | <u>929</u> |
| Cash flows from financing activities | | | | |
| Proceeds from issuance of new ordinary shares | - | - | - | 12,969 |
| Share issue expenses | - | - | - | (351) |
| Proceeds from exercise of warrants | 9 | - | 9 | 1,006 |
| Repayment of finance lease liabilities | - | (3) | - | (18) |
| Interest paid | - | (3) | - | (19) |
| | <u>9</u> | <u>(6)</u> | <u>9</u> | <u>13,587</u> |
| Net cash from/(used in) financing activities | <u>9</u> | <u>(6)</u> | <u>9</u> | <u>13,587</u> |
| Net (decrease)/increase in cash and cash equivalents | <u>(1,179)</u> | <u>(643)</u> | <u>(10,460)</u> | <u>8,234</u> |
| Cash and cash equivalents at beginning of period | <u>3,131</u> | <u>15,669</u> | <u>12,078</u> | <u>7,318</u> |
| Effects of currency translation on cash and cash equivalents | <u>-</u> | <u>138</u> | <u>334</u> | <u>(388)</u> |
| Cash and cash equivalents at end of period | <u><u>1,952</u></u> | <u><u>15,164</u></u> | <u><u>1,952</u></u> | <u><u>15,164</u></u> |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalising issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | ← Attributable to equity holders of the Company → | | | | | |
|--|---|-------------------------------------|-------------------------------------|--|----------------------------------|------------------|
| | 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 |
| Group | | | | | | |
| 9 months ended 31 March 2017 | | | | | | |
| Beginning of financial period | 161,325 | - | - | (16,001) | (110,919) | 34,405 |
| Total comprehensive loss | - | - | - | 29 | (5,006) | (4,977) |
| Issuance of new ordinary shares pursuant to exercise of warrants | 9 | - | - | - | - | 9 |
| Reclassification on disposal of a subsidiary | - | - | - | 12 | - | 12 |
| Transfer from foreign currency translation reserve | - | - | - | 21 | (21) | - |
| End of financial period | <u>161,334</u> | <u>-</u> | <u>-</u> | <u>(15,939)</u> | <u>(115,946)</u> | <u>29,449</u> |
| 9 months ended 31 March 2016 | | | | | | |
| Beginning of financial period | 146,634 | (89,648) | 492 | (6,508) | (13,250) | 37,720 |
| Total comprehensive loss | - | - | - | (963) | (98,611) | (99,574) |
| Issuance of new ordinary shares | 12,969 | - | - | - | - | 12,969 |
| Share issue expenses | (351) | - | - | - | - | (351) |
| Issuance of new ordinary shares pursuant to exercise of warrants | 1,006 | - | - | - | - | 1,006 |
| Issuance of new ordinary shares as consideration for acquisition of subsidiary | 1,067 | - | - | - | - | 1,067 |
| Disposal of subsidiary | - | 89,648 | - | - | - | 89,648 |
| Reclassification on disposal of a subsidiary | - | - | - | (7,924) | - | (7,924) |
| End of financial period | <u>161,325</u> | <u>-</u> | <u>492</u> | <u>(15,395)</u> | <u>(111,861)</u> | <u>34,561</u> |

| | Share capital S\$'000 | Fair value reserve S\$'000 | Foreign currency translation reserve S\$'000 | Accumulated losses S\$'000 | Total equity S\$'000 |
|--|-----------------------------|----------------------------------|--|----------------------------------|----------------------------|
| Company | | | | | |
| 9 months ended 31 March 2017 | | | | | |
| Beginning of financial period | 161,325 | - | (15,939) | (110,340) | 35,046 |
| Total comprehensive loss | - | - | - | (2,871) | (2,871) |
| Issuance of new ordinary shares pursuant to exercise of warrants | 9 | - | - | - | 9 |
| End of financial period | <u>161,334</u> | <u>-</u> | <u>(15,939)</u> | <u>(113,211)</u> | <u>32,184</u> |
| 9 months ended 31 March 2016 | | | | | |
| Beginning of financial period | 146,634 | 492 | (14,740) | (107,479) | 24,907 |
| Total comprehensive loss | - | - | (306) | (4,406) | (4,712) |
| Issuance of new ordinary shares | 12,969 | - | - | - | 12,969 |
| Share issue expenses | (351) | - | - | - | (351) |
| Issuance of new ordinary shares pursuant to exercise of warrants | 1,006 | - | - | - | 1,006 |
| Issuance of new ordinary shares as consideration for acquisition of subsidiary | 1,067 | - | - | - | 1,067 |
| End of financial period | <u>161,325</u> | <u>492</u> | <u>(15,046)</u> | <u>(111,885)</u> | <u>34,886</u> |

- 1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The movement of the Company’s share capital is as follows:

| | Number of issued shares |
|---|----------------------------|
| Balance at 1 January 2017 | 3,890,795,664 |
| Issuance of new ordinary shares pursuant to the exercise of the 2015 Warrants (as defined herein) | <u>1,854,200</u> |
| Balance at 31 March 2017 | <u>3,892,649,864</u> |

The Company does not have any treasury shares as at 31 March 2017 and 31 March 2016.

The number of shares that may be issued on conversion of the Company’s outstanding warrants as at the end of the financial period is as follows:

| | 31/03/2017 | 31/03/2016 |
|--|----------------------|----------------------|
| - Warrants expiring on 20 March 2017 (“Introducer (SPA) Warrants”) | - | 166,288,443 |
| - Warrants expiring on 16 July 2018 (“2013 Warrants”) | 10,559,328 | 10,559,328 |
| - Warrants expiring on 6 May 2019 (“2014 Warrants”) | 773,282,530 | 773,282,530 |
| - Warrants expiring on 19 November 2020 (“2015 Warrants”) | <u>2,592,009,576</u> | <u>2,593,863,776</u> |
| | <u>3,375,851,434</u> | <u>3,543,994,077</u> |

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding financial year.**

| | 31/03/2017 | 30/06/2016 |
|---|----------------------|----------------------|
| Total number of issued shares excluding treasury shares | <u>3,892,649,864</u> | <u>3,890,795,664</u> |

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The accounting policies and methods of computation are consistent with those applied in the audited financial statements for the financial year ended 30 June 2016, except as disclosed in paragraph 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

(a) Change in functional currency of the Company

In 1QFY17, the Company changed its functional currency from Ringgit Malaysia (“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 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 has been implemented prospectively.

(b) Change in presentation currency

Following the change in functional currency of the Company, the Company changed its presentation currency from RM to S\$ in 1QFY17. The change in presentation currency has been applied retrospectively with comparative financial statements being restated into S\$ as follows:

- (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.

A statement of financial position as at the beginning of the earliest comparative period is also presented.

(c) Interpretation of and amendments to published standards effective in 2017

The Group has adopted all the new and revised Financial Reporting Standards (“FRS”) and Interpretation of FRS (“INT FRS”) that are relevant to its operations and effective from annual periods beginning on or after 1 July 2016. The adoption of the new/revised FRS and INT FRS did not result in material changes to the Group’s or the Company’s accounting policies and had no material impact on the results under review. Where applicable, the presentation of the financial information has been amended to comply with these standards.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

a) Basic loss per share

| 9 Months Ended | <u>Continuing operations</u> | | <u>Discontinued operations</u> | | <u>Total</u> | |
|--|------------------------------|------------------|--------------------------------|------------------|------------------|------------------|
| | 31/03/17 | 31/03/16 | 31/03/17 | 31/03/16 | 31/03/17 | 31/03/16 |
| Net loss attributable to equity holders of the Company (S\$'000) | <u>(4,830)</u> | <u>(98,230)</u> | <u>(176)</u> | <u>(381)</u> | <u>(5,006)</u> | <u>(98,611)</u> |
| Weighted average number of ordinary shares outstanding for basic loss per share ('000) | <u>3,891,100</u> | <u>3,642,040</u> | <u>3,891,100</u> | <u>3,642,040</u> | <u>3,891,100</u> | <u>3,642,040</u> |
| Basic loss per share (Cents per share) | <u>(0.12)</u> | <u>(2.70)</u> | <u>(0.01)</u> | <u>(0.01)</u> | <u>(0.13)</u> | <u>(2.71)</u> |

| 3 rd Quarter Ended | <u>Continuing operations</u> | | <u>Discontinued operations</u> | | <u>Total</u> | |
|--|------------------------------|------------------|--------------------------------|------------------|------------------|------------------|
| | 31/03/17 | 31/03/16 | 31/03/17 | 31/03/16 | 31/03/17 | 31/03/16 |
| Net loss attributable to equity holders of the Company (S\$'000) | <u>(1,103)</u> | <u>(94,718)</u> | <u>-</u> | <u>(211)</u> | <u>(1,103)</u> | <u>(94,929)</u> |
| Weighted average number of ordinary shares outstanding for basic loss per share ('000) | <u>3,891,723</u> | <u>3,890,796</u> | <u>3,891,723</u> | <u>3,890,796</u> | <u>3,891,723</u> | <u>3,890,796</u> |
| Basic loss per share (Cents per share) | <u>(0.03)</u> | <u>(2.43)</u> | <u>-</u> | <u>(0.01)</u> | <u>(0.03)</u> | <u>(2.44)</u> |

b) Diluted loss per share

The Company's potential dilutive ordinary shares are the warrants. However, no diluted loss per share was presented as the exercise of the warrants would result in anti-dilution of loss per share.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the :-**

(a) **current financial period reported on; and**

(b) **immediately preceding financial year.**

| | Group | | Company | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 31/03/2017 | 30/06/2016 | 31/03/2017 | 30/06/2016 |
| Net asset value per ordinary share | <u>S\$0.01</u> | <u>S\$0.01</u> | <u>S\$0.01</u> | <u>S\$0.01</u> |

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A. Review of Financial Performance

Third Quarter Ended 31 March 2017 ("3QFY17") vs. Third Quarter Ended 31 March 2016 ("3QFY16")

Revenue, cost of sales and gross profit

Revenue, cost of sales and gross profit for 3QFY17 of S\$3.6 million, S\$3.3 million and S\$225,000 respectively, were lower than that of 3QFY16 due to the lower commission income from private residential projects.

Other loss, net

The other loss, net in 3QFY17 was due mainly to a fair value loss on financial assets at fair value through profit or loss of S\$202,000 and a foreign exchange loss of S\$310,000 offset by a dividend income of S\$288,000. The other loss, net in 3QFY16 was due mainly to a loss on disposal of the subsidiary HMS Capital Sdn Bhd ("HMSC") of S\$93.7 million.

Administrative expenses

The higher administrative expenses in 3QFY17 was due to the inclusion of the full third quarter expenses of the two new wholly-owned subsidiaries, Global Alliance Property Pte Ltd ("GAP") and Century 21 (AsPac) Realty Pte Ltd ("C21 AsPac"), which were acquired on 2 February 2016 and 10 March 2016 respectively.

9 Months Ended 31 March 2017 ("9MY17") vs. 9 Months Ended 31 March 2016 ("9MFY16")

Revenue, cost of sales and gross profit

Revenue, cost of sales and gross profit for 9MFY17 increased to S\$11.9 million, S\$11.2 million and S\$713,000 respectively due to the consolidation of the full three quarters' results of the new wholly-owned subsidiaries as mentioned above.

The real estate agency division contributed S\$11.8 million in revenue and S\$659,000 in gross profit during 9MFY17.

Other loss, net

The other loss, net reported in 9MFY17 was attributable mainly to the fair value loss on financial assets at fair value through profit or loss of S\$992,000, a foreign exchange loss of S\$800,000 and the loss on disposal of subsidiary of S\$337,000. The loss was partially offset by a dividend income of S\$662,000 and an interest income of S\$206,000. The other loss, net for 9MFY16 was mainly due to the loss on disposal of subsidiary amounting to S\$93.7 million that was completed in February 2016.

Selling and distribution expenses

The selling and distribution expenses reported for 9MFY17 were due to the inclusion of the full three quarters' results of newly acquired subsidiaries as mentioned above.

Administrative expenses

The higher administrative expenses of S\$3.9 million reported for 9MFY17 were attributable mainly to the inclusion of the full three quarters' results from GAP and C21 AsPac, higher staff costs and professional fees.

Loss from discontinued operations

The loss from discontinued operations in 9MFY17 was due to the results of C21 HK from 1 July to 15 November 2016, whereas the loss from discontinued operations reported in 9MFY16 was from both C21 HK from 21 October to 31 March 2016 and HMSC from 1 July to 4 February 2016.

Net loss

The Group reported a net loss of S\$5.0 million in 9MFY17 as compared with the net loss of S\$98.6 million posted in 9MFY16. This was due mainly to lower other loss, net, offset by higher administrative expenses and selling and distribution costs as mentioned above.

B. Review of Financial Position

Cash and cash equivalents

The decrease in cash and cash equivalents was due mainly to net cash outflow from the deconsolidation of C21 HK after the disposal on 15 November 2016, offset by a cash inflow from operating activities of S\$4.2 million.

Trade and other receivables

Other current assets

Intangible assets

Trade and other payables

The decrease in trade and other receivables, other current assets, intangible assets and trade and other payables was due mainly to the disposal of the subsidiary C21 HK.

Property, plant and equipment

The increase in property, plant and equipment is due to the office renovation cost of one of the subsidiaries.

C. Review of Cash Flow

In 9MFY17, the Group recorded a decrease of S\$10.5 million in cash and cash equivalents. The decrease was due mainly to net cash used in investing activities of S\$14.7 million (the disposal of C21 HK resulted in a net cash outflow of S\$14.3 million), offset by net cash from operating activities of S\$4.2 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

A. Real estate agency business and real-estate related services

The Group expects operating conditions to remain very challenging for its real estate agency business and real estate-related services in the next 12 months, due to the slowdown in the global economy, the

volatility in the stock markets as well as the political tension in the Middle East and the Korean Peninsula.

Nevertheless, the Group will continue with its plan to develop its business structure, intellectual property, business resources and expertise in managing a real estate agency and grow its business through franchising, licensing, strategic alliances, joint ventures or mergers and acquisitions. The Group hopes to strengthen its market position and brand reputation as well as expand into new markets.

B. Proposed acquisition of 中房联合置业集团有限公司

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

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

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

The Proposed Acquisition, if completed, is expected to result in a “very substantial acquisition” or a “reverse take-over” of the Company, and is conditional upon, *inter alia*, approval by the shareholders.

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

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to the effect.

No dividend has been declared for the quarter ended 31 March 2017.

13. **If the Group has obtained a general mandate from shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained for the quarter ended 31 March 2017.

14. **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 is 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 | <u>3,799</u> | <u>27.1</u> | 10-30* |
| Total | <u><u>9,626</u></u> | <u><u>69.3</u></u> | |

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 is 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 | <u>10.8</u> |
| Total | <u><u>100.0</u></u> |

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

B. Proceeds from exercise of 2014 Warrants

As at 31 March 2017, a total of 397,965,998 of the 2014 Warrants have been exercised and S\$7,959,320 has been received by the Group. The proceeds arising from the exercise of the 2014 Warrants may, at the discretion of the Directors, be applied towards expanding the business of the Group, financing new business ventures through acquisition and/or strategic investments and working capital. Of this amount, S\$2,000,000 was utilised for investment in available-for-sale financial assets and S\$1,800,000 was utilised to finance a new business venture. The use of the proceeds is in accordance with the stated use.

C. 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 | <u>2,167</u> | <u>17.2</u> | 10-30* |
| Total | <u><u>4,869</u></u> | <u><u>38.6</u></u> | |

Note:

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

With respect to the S\$2,167,000 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 | 36.9 |
| Payment of office overheads | 23.1 |
| Payment of professional fees and other compliance costs | <u>40.0</u> |
| Total | <u><u>100.0</u></u> |

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

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured the undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

BY ORDER OF THE BOARD

Lee Keng Mun
Director/Chief Operating Officer
15 May 2017



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED
(Company Reg. No. 200609901H)

CONFIRMATION BY THE BOARD

We, Dato' Dr. Choo Yeow Ming and Lee Keng Mun, being two of the directors of Asia-Pacific Strategic Investments Limited (the "Company"), do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the third quarter ended 31 March 2017 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Dato' Dr. Choo Yeow Ming
Director

Lee Keng Mun
Director

15 May 2017