



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Full Year Financial Statements And Related Announcements for the Year Ended 30 June 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	Financial Year Ended 30/06/2017 S\$'000	30/06/2016 S\$'000 (restated)	Increase/ (decrease) %
<u>Continuing operations</u>				
Revenue		16,329	8,325	96.1
Cost of services		<u>(15,297)</u>	<u>(7,680)</u>	99.2
Gross profit		1,032	645	60.0
Other losses, net		(1,886)	(91,755)	(97.9)
Distribution and marketing expenses		(545)	(89)	512.4
Administrative expenses		<u>(4,941)</u>	<u>(5,988)</u>	(17.5)
Loss before income tax		(6,340)	(97,187)	(93.5)
Income tax (expense)/credit	A	<u>(72)</u>	<u>3</u>	n.m.
Loss from continuing operations		(6,412)	(97,184)	(93.4)
<u>Discontinued operations</u>				
Loss from discontinued operations		<u>(176)</u>	<u>(506)</u>	(65.2)
Total loss	B	<u><u>(6,588)</u></u>	<u><u>(97,690)</u></u>	(93.3)

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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	Note	Financial Year Ended		Increase/ (decrease) %
		30/06/2017 S\$'000	30/06/2016 S\$'000 (restated)	
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Reclassification		-	(492)	n.m.
Currency translation differences arising from consolidation				
- Gains/(losses)		29	(1,666)	n.m.
- Reclassification		12	(7,924)	n.m.
		<u>41</u>	<u>(10,082)</u>	n.m.
Items that will not be reclassified subsequently to profit or loss:				
Reversal on disposal of subsidiary corporations				
- Restructuring reserve		-	89,648	n.m.
Other comprehensive income, net of tax:		<u>41</u>	<u>79,566</u>	(99.9)
Total comprehensive loss		<u>(6,547)</u>	<u>(18,124)</u>	(63.9)

n.m. = Not meaningful.

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

A. Income tax expense/(credit)

	Note	Financial Year Ended		Increase/ (decrease) %
		30/06/2017 S\$'000	30/06/2016 S\$'000 (restated)	
Income tax expenses				
- Current year		16	2	700.0
- Under/(over) provision in respect of prior year		77	(5)	n.m.
- Deferred income tax		(21)	-	n.m.
		<u>72</u>	<u>(3)</u>	n.m.

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

	Note	Financial Year Ended		Increase/ (decrease) %
		30/06/2017 S\$'000	30/06/2016 S\$'000 (restated)	
Interest income:				
- Interest from other receivable	(i)	268	170	57.6
Allowance for impairment of trade and other receivables	(ii)	-	(1,879)	n.m.
Operating lease expenses	(iii)	(820)	(617)	32.9
Foreign exchange loss	(iv)	(703)	(482)	45.9
Investment income:				
- Fair value (loss)/gain on financial assets at fair value through profit or loss	(v)	(1,912)	1,393	n.m.
- Dividend income	(vi)	662	207	219.8
Allowance for impairment loss of available-for-sale financial assets	(vii)	-	(3,794)	n.m.
Loss on disposal of subsidiary corporations	(viii)	(377)	(93,735)	(99.6)
Depreciation and amortisation	(ix)	(382)	(143)	167.1

n.m. = Not meaningful.

Note (i)

The interest income from other receivables was derived from working capital loans granted to China Real Estate Development Union Group Limited in November 2016. The higher interest income in FY17 was due to the full year interest income accrual as compared to 7-months in FY16.

Note (ii)

The impairment in FY16 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. This proposed acquisition was terminated on 24 October 2015.

Note (iii)

The higher operating lease expenses in FY17 were due to the inclusion of lease rental of the newly acquired subsidiary corporations Global Alliance Property Pte Ltd and Century 21 (AsPac) Realty Pte Ltd.

Note (iv)

The higher foreign exchange loss in FY17 was mainly due to the weakening of the underlying currency of the financial assets, at fair value through profit or loss, Ringgit Malaysia, against the reporting currency, Singapore Dollars, during the financial year.

Note (v)

Fair value loss or gain arose from the fluctuation in the quoted price of financial assets at fair value through profit or loss.

Note (vi)

Dividend income was derived from financial assets at fair value through profit or loss.

Note (vii)

The impairment loss in FY16 arose from the available-for-sale financial assets which is stated at its fair value.

Note (viii)

The loss on disposal of subsidiary in FY17 arose from the disposal of Century 21 Hong Kong Limited ("C21 HK") which was completed on 15 November 2016. The loss on disposal in FY16 arose from the disposal of HMS Capital Sdn Bhd ("HMSC") which was completed on 4 February 2016.

Note (ix)

The higher depreciation and amortisation in FY17 was due to the inclusion of the full year expense of the new wholly-owned subsidiary corporations, Global Alliance Property Pte Ltd and Century 21 (AsPac) Realty Pte Ltd, as well as an increase 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 immediately preceding financial year.

	30/06/2017	Group 30/06/2016	01/07/2015
	S\$'000	(restated) S\$'000	(restated) S\$'000
ASSETS			
Current assets			
Cash and cash equivalents	1,198	12,078	4,266
Financial assets, at fair value through profit or loss	15,024	14,336	12,412
Trade and other receivables	13,022	13,307	1,995
Other current assets	399	467	111
Available-for-sale financial assets	2,000	2,000	-
	<u>31,643</u>	<u>42,188</u>	<u>18,784</u>
Assets of disposal group classified as held-for-sale	-	-	26,435
	<u>31,643</u>	<u>42,188</u>	<u>45,219</u>
Non-current assets			
Available-for-sale financial assets	-	-	6,492
Property, plant and equipment	574	503	23
Intangible assets	1,096	1,582	-
	<u>1,670</u>	<u>2,085</u>	<u>6,515</u>
Total assets	<u>33,313</u>	<u>44,273</u>	<u>51,734</u>
LIABILITIES			
Current liabilities			
Trade and other payables	5,205	9,529	67
Current income tax liabilities	16	88	15
	<u>5,221</u>	<u>9,617</u>	<u>82</u>
Liabilities directly associated with disposal group classified as held-for-sale	-	-	9,814
	<u>5,221</u>	<u>9,617</u>	<u>9,896</u>
Non-current liabilities			
Other payable	-	-	4,000
Provisions	204	165	-
Deferred income tax liabilities	21	86	-
	<u>225</u>	<u>251</u>	<u>4,000</u>
Total liabilities	<u>5,446</u>	<u>9,868</u>	<u>13,896</u>
Net assets	<u>27,867</u>	<u>34,405</u>	<u>37,838</u>

	30/06/2017	Group 30/06/2016	01/07/2015
	S\$'000	(restated) S\$'000	(restated) 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)	(15,980)	(95,546)
Accumulated losses	<u>(117,528)</u>	<u>(110,940)</u>	<u>(13,250)</u>
Total equity	<u><u>27,867</u></u>	<u><u>34,405</u></u>	<u><u>37,838</u></u>

	30/06/2017	Company 30/06/2016	01/07/2015
	S\$'000	(restated) S\$'000	(restated) S\$'000
ASSETS			
Current assets			
Cash and cash equivalents	1,044	6,722	4,266
Financial assets, at fair value through profit or loss	15,024	14,336	12,412
Other receivables	12,739	12,176	1,995
Other current assets	130	108	111
Available-for-sale financial assets	2,000	2,000	-
	<u>30,937</u>	<u>35,342</u>	<u>18,784</u>
Assets of disposal group classified as held-for-sale	-	-	3,808
	<u>30,937</u>	<u>35,342</u>	<u>22,592</u>
Non-current assets			
Available-for-sale financial assets	-	-	6,492
Investment in subsidiary corporations	_*	_*	-
Property, plant and equipment	10	14	23
	<u>10</u>	<u>14</u>	<u>6,515</u>
Total assets	<u>30,947</u>	<u>35,356</u>	<u>29,107</u>
LIABILITIES			
Current liabilities			
Other payables	59	308	67
Current income tax liabilities	16	2	15
	<u>75</u>	<u>310</u>	<u>82</u>
Non-current liabilities			
Other payable	-	-	4,000
Total liabilities	<u>75</u>	<u>310</u>	<u>4,082</u>
Net assets	<u>30,872</u>	<u>35,046</u>	<u>25,025</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)	(14,130)
Accumulated losses	(114,523)	(110,340)	(107,479)
Total equity	<u>30,872</u>	<u>35,046</u>	<u>25,025</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.

	Financial Year Ended	
	30/06/2017 S\$'000	30/06/2016 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)
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 adjustments from fair value reserve to profit or loss	-	(492)
Unrealised translation losses	-	28
	<u>(5,906)</u>	<u>(4,704)</u>
Changes in working capital		
Inventories and development expenditure	-	84
Trade and other receivables	427	(6,414)
Other current assets	(25)	(548)
Financial assets, at fair value through profit or loss	(688)	(2,645)
Trade and other payables	9,778	7,412
	<u>3,586</u>	<u>(6,815)</u>
Cash from/(used in) operations		
Income tax paid	(79)	(9)
Interest received	-	297
	<u>3,507</u>	<u>(6,527)</u>
Net cash from/(used in) operating activities		
Cash flows from investing activities		
Additions to property, plant and equipment	(418)	(51)
Net cash inflow from acquisition of subsidiary corporations	-	584
Net cash outflow from disposal of subsidiary corporations	(14,313)	(2,612)
	<u>(14,731)</u>	<u>(2,079)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from issuance of new ordinary shares	-	12,969
Share issue expenses	-	(351)
Proceeds from exercise of warrants	9	1,006
Repayment of finance lease liabilities, net	-	(17)
Interest paid	-	(19)
	<u>9</u>	<u>13,588</u>
Net cash from financing activities		
Net (decrease)/increase in cash and cash equivalents	(11,215)	4,982
Cash and cash equivalents at the beginning of financial year	12,078	7,318
Effects of currency translation on cash and cash equivalents	335	(222)
	<u>1,198</u>	<u>12,078</u>
Cash and cash equivalents at the end of financial year		

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 →					Total S\$'000
	Share capital S\$'000	Restructuring reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	
Group						
2017						
Beginning of financial year	161,325	-	-	(15,980)	(110,940)	34,405
Total comprehensive loss	-	-	-	41	(6,588)	(6,547)
Issuance of new ordinary shares pursuant to exercise of warrants	9	-	-	-	-	9
End of financial year	<u>161,334</u>	<u>-</u>	<u>-</u>	<u>(15,939)</u>	<u>(117,528)</u>	<u>27,867</u>
2016 (restated)						
Beginning of financial year	146,634	(89,648)	492	(6,390)	(13,250)	37,838
Total comprehensive loss	-	89,648	(492)	(9,590)	(97,690)	(18,124)
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 year	<u>161,325</u>	<u>-</u>	<u>-</u>	<u>(15,980)</u>	<u>(110,940)</u>	<u>34,405</u>

	Share capital S\$'000	Fair value reserve S\$'000	Foreign currency reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Company					
2017					
Beginning of financial year	161,325	-	(15,939)	(110,340)	35,046
Total comprehensive loss	-	-	-	(4,183)	(4,183)
Issuance of new ordinary shares pursuant to exercise of warrants	9	-	-	-	9
End of financial year	<u>161,334</u>	<u>-</u>	<u>(15,939)</u>	<u>(114,523)</u>	<u>30,872</u>
2016 (restated)					
Beginning of financial year	146,634	492	(14,622)	(107,479)	25,025
Total comprehensive loss	-	(492)	(1,317)	(2,861)	(4,670)
Issue 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 year	<u>161,325</u>	<u>-</u>	<u>(15,939)</u>	<u>(110,340)</u>	<u>35,046</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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

There is no change in the Company's share capital since the end of the previous period reported on.

The Company does not have any treasury shares or subsidiary holdings as at 30 June 2017 and 30 June 2016.

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

	30/06/2017	30/06/2016
- 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><u>3,375,851,434</u></u>	<u><u>3,543,994,077</u></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 immediately preceding financial year.**

	30/06/2017	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, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 to 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

12 Months Ended	Continuing operations		Discontinued operations		Total	
	30/06/17	30/06/16 (restated)	30/06/17	30/06/16 (restated)	30/06/17	30/06/16 (restated)
Net loss attributable to equity holders of the Company (S\$'000)	<u>(6,412)</u>	<u>(97,184)</u>	<u>(176)</u>	<u>(506)</u>	<u>(6,588)</u>	<u>(97,690)</u>
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<u>3,891,487</u>	<u>3,392,439</u>	<u>3,891,487</u>	<u>3,392,439</u>	<u>3,891,487</u>	<u>3,392,439</u>
Basic loss per share (Cents per share)	<u>(0.16)</u>	<u>(2.86)</u>	<u>(0.01)</u>	<u>(0.02)</u>	<u>(0.17)</u>	<u>(2.88)</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 is non-dilutive.

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

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	30/06/2017	30/06/2016 (restated)	30/06/2017	30/06/2016 (restated)
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**

Financial Year Ended 30 June 2017 ("FY17") vs. Financial Year Ended 30 June 2016 ("FY16")

Revenue, cost of services and gross profit

Revenue, cost of services and gross profit for FY17 increased to S\$16.3 million, S\$15.3 million and S\$1.0 million respectively due to the consolidation of the full year results of the wholly-owned

subsidiary corporations, 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.

The real estate agency division contributed S\$16.3 million in revenue and S\$1.0 million in gross profit during FY17.

Other losses, net

The other losses, net reported in FY17 was attributable mainly to the fair value loss on financial assets at fair value through profit or loss of S\$1.9 million, a foreign exchange loss of S\$703,000 and the loss on disposal of subsidiary corporations of S\$377,000. The loss was partially offset by a dividend income of S\$662,000 and an interest income of S\$268,000. The other losses, net for FY16 was mainly due to the loss on disposal of subsidiary corporations amounting to S\$93.7 million that was completed in February 2016.

Distribution and marketing expenses

The distribution and marketing expenses for FY17 stemmed from the inclusion of the full year results of newly acquired subsidiary corporations as mentioned above.

Administrative expenses

The administrative expenses for FY17 were lower than that for FY16 even though the Group consolidated the full year results of GAP and C21 AsPac. This was due mainly to the fact that there was no allowance for impairment loss of trade and other receivables in FY17 as compared to S\$1.9 million recognised in FY16.

Loss from discontinued operations

The loss from discontinued operations in FY17 was due to the results of C21 HK from 1 July to 15 November 2016, whereas the loss from discontinued operations reported in FY16 was from both C21 HK from 21 October 2015 to 30 June 2016 and HMSC from 1 July to 4 February 2016 respectively.

Net loss

In FY17, the Group reported a net loss of S\$6.6 million, which was lower than the loss of S\$97.7 million reported in FY16. This was due mainly to lower “other losses, net”, administrative expenses and lower net loss from discontinued operations, offset by higher distribution and marketing expenses as mentioned above.

B. Review of Financial Position

Cash and cash equivalents

The decrease 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\$3.5 million.

Other current assets

Intangible assets

Trade and other payables

The decrease in 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 subsidiary corporations.

Provisions

The increase in provisions is due to an additional provision of reinstatement cost for the new office units of one of the subsidiary corporations.

C. Review of Cash Flow

The Group recorded a decrease in cash and cash equivalents of S\$11.2 million. The decrease was primarily attributed to net cash used in investing activities of S\$14.7 million (the disposal of C21 HK resulted in a cash outflow of S\$14.3 million), offset by net cash from operating activities of S\$3.5 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 be very challenging for its real estate agency business and real estate-related services in the coming 12 months, as a purchaser's decision in purchasing a property may be impacted by higher interest rates, the slowdown in the Chinese economy and volatility in the global share markets and oil prices.

Nevertheless, the Group will continue with its plan to develop its business structure, intellectual property, business resources and expertise in managing a large and successful real estate agency and will grow its business through franchising, licensing, strategic alliances, joint ventures or mergers and acquisitions. The Group hopes to strengthen its market position and value-add 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 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 "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 July 2017, the Long Stop Date of the S&P Agreement is extended to 10 October 2017.

C. 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.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

(b) (i) Amount per share cents

(ii) Previous corresponding period cents

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net tax, state the tax rate and the country where dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company up to 5.00 pm will be registered before entitlements to the dividend determined.

Not applicable.

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

No dividend has been declared for the financial year ended 30 June 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 financial year ended 30 June 2017.

14. 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).

15. 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 Limited	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>9,626</u>	<u>69.3</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 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	<u>10.8</u>
Total	<u>100.0</u>

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 have been exercised and S\$7,959,320 has 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 ventures. 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>2,639</u>	<u>20.9</u>	10-30*
Total	<u><u>5,341</u></u>	<u><u>42.3</u></u>	

Note:

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

With respect to the S\$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	<u>34.2</u>
Total	<u><u>100.0</u></u>

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

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL-YEAR ANNOUNCEMENT

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group is organised into business units based on both geography and business segment. For FY17, the Group had two reportable operating segments: investment and real estate agency.

	← Singapore →		Total S\$'000
	Investment S\$'000	Real estate agency S\$'000	
Group 2017			
Revenue from external parties	73	16,256	16,329
Gross profit	73	959	1,032
Other (losses)/gain, 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	(5)	(255)	(260)
Amortisation	-	(122)	(122)
Segment assets	26,556	6,757	33,313
Segment assets include			
Additions to:			
- Property, plant and equipment	2	450	452
Segment liabilities	75	5,371	5,446

Group	← Singapore →		Hong Kong	Total S\$'000
	Investment S\$'000	Real estate agency S\$'000	Sub- franchise S\$'000	
2016 (restated)				
Sales to external parties	73	8,252	-	8,325
Gross profit	73	572	-	645
Other (losses)/gain, 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 include				
Additions to:				
- Property, plant and equipment	7	171	1	179
- Intangible assets				
- Franchise rights	-	244	282	526
- Goodwill	-	1,024	97	1,121
Segment liabilities	312	5,168	4,388	9,868

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 8 for a review of the Group's performance.

18. A breakdown of sales

	Latest financial year S\$'000	Previous financial year S\$'000	Increase/ (decrease) %
(a) Sales reported for first half-year			
- Continuing operations	8,306	37	22,348.5
(b) Operating loss after tax before deducting non-controlling interests reported for first half-year			
- Continuing operations	(3,727)	(3,512)	6.1
- Discontinued operations	(176)	(170)	3.5
(c) Sales reported for second half-year			
- Continuing operations	8,023	8,288	(3.2)
(d) Operating loss after tax before deducting non-controlling interests reported for second half-year			
- Continuing operations	(2,685)	(93,672)	(97.1)
- Discontinued operations	-	(336)	n.m.

n.m. = not meaningful.

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-
- (a) Ordinary
 - (b) Preference
 - (c) Total

Not applicable.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

There are no persons occupying managerial positions in the Company or any of its principal subsidiary corporations who are relatives of a director or chief executive officer or substantial shareholder of the Company.

21. Interested person transactions

There were no interested person transactions, as defined in Chapter 9 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company for the financial year ended 30 June 2017.

The Company does not have a general mandate from shareholders for interested person transactions.

BY ORDER OF THE BOARD

Lee Keng Mun
Director/Chief Operating Officer
29 August 2017