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

Financial Statements And Related Announcement for the First Quarter Ended 30 September 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	1st Qtr Ended 30/09/2017 S$'000	30/09/2016 S$'000 (re-presented)	Increase/ (decrease) %
Continuing operations				
Revenue		4,276	4,869	(12.2)
Cost of services		(3,905)	(4,557)	(14.3)
Gross profit		371	312	18.9
Other loss, net		(776)	(877)	(11.5)
Expenses				
- Distribution and marketing		(73)	(72)	1.4
- Administrative		(1,065)	(1,199)	(11.2)
Loss before income tax		(1,543)	(1,836)	(16.0)
Income tax credit	B	5	-	n.m.
Loss from continuing operations		(1,538)	(1,836)	(16.2)
Discontinued operations				
Loss from discontinued operations		-	(129)	n.m.
Total loss	C	(1,538)	(1,965)	(21.7)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation gain from consolidation		-	13	n.m.
Other comprehensive (loss)/income, net of tax.		(1,538)	13	n.m.
Total comprehensive loss		(1,538)	(1,952)	(21.2)

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.

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

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

A On 15 November 2016, the Group completed the disposal of Century 21 Hong Kong Limited and its wholly owned subsidiary corporation ("the C21 Group").

In compliance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, the entire results of C21 Group for FY2017 are presented separately in the statement of comprehensive income as "Discontinued Operations". Accordingly, the results of C21 Group for 1QFY17 are re-presented as "Discontinued Operations".

B Income tax credit

Income tax credit in 1QFY18 represents deferred income taxes credited to the income statement.

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

	Note	1st Qtr Ended 30/09/2017 S$'000	30/09/2016 S$'000 (re-presented)	Increase/ (decrease) %
Foreign exchange loss	(i)	(31)	(253)	(87.7)
Investment Income:				
- Fair value loss on financial assets at fair value through profit or loss	(ii)	(1,074)	(1,218)	(11.8)
- Dividend income	(iii)	185	374	(50.5)
Depreciation and amortisation		113	117	(3.4)
Interest income from other receivable		68	69	(1.4)
Operating lease expenses	(iv)	217	193	12.4

n.m. = Not meaningful.

Note (i)
The decrease in exchange loss in 1QFY18 was due to the strengthening of the underlying currency of the financial assets in Malaysian ringgit against the reporting currency, the Singapore dollar, during 1QFY18.

Note (ii)
The Group reported a fair value loss of S$1.1 million on financial assets in 1QFY18 as compared with S$1.2 million in 1QFY17, largely because of the fluctuation in quoted prices of investments.

Note (iii)
The dividend income reported in 1QFY18 was derived from the financial assets at fair value through profit or loss.

Note (iv)
The higher operating lease expenses in 1QFY18 was due to the additional office space taken up by the subsidiary corporation.

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.

	Group		Company	
	30/09/2017	**30/06/2017**	**30/09/2017**	**30/06/2017**
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Current assets				
Cash and cash equivalents	2,669	1,198	2,459	1,044
Financial assets, at fair value through profit or loss	13,933	15,024	13,933	15,024
Trade and other receivables	11,183	13,022	11,032	12,739
Other current assets	445	399	202	130
Available-for-sale financial assets	2,000	2,000	2,000	2,000
	30,230	31,643	29,626	30,937
Non-current assets				
Investment in subsidiary corporation	-	-	-*	-*
Property, plant and equipment	493	574	9	10
Intangible assets	1,065	1,096	-	-
	1,558	1,670	9	10
Total assets	31,788	33,313	29,635	30,947
LIABILITIES				
Current liabilities				
Trade and other payables	5,223	5,205	99	59
Current income tax liabilities	16	16	16	16
	5,239	5,221	115	75
Non-current liabilities				
Provisions	204	204	-	-
Deferred income tax liabilities	16	21	-	-
	220	225	-	-
Total liabilities	5,459	5,446	115	75
Net assets	26,329	27,867	29,520	30,872
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	161,334	161,334	161,334	161,334
Foreign currency translation reserve	(15,939)	(15,939)	(15,939)	(15,939)
Accumulated losses	(119,066)	(117,528)	(115,875)	(114,523)
Total equity	26,329	27,867	29,520	30,872

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.

	1st Qtr Ended	
	30/09/2017	**30/09/2016**
	S$'000	S$'000
Cash flows from operating activities		
Total loss	(1,538)	(1,965)
Adjustments for:		
Depreciation of property, plant and equipment	82	87
Amortisation of intangible assets	31	30
Income tax credit	(5)	-
Interest income	(68)	(69)
Dividend income	(185)	(374)
	(1,683)	(2,291)
Changes in working capital		
Trade and other receivables	1,907	544
Other current assets	(46)	91
Financial assets, at fair value through profit or loss	1,091	(389)
Trade and other payables	18	4,163
Net cash from operating activities	1,287	2,118
Cash flows from investing activities		
Additions to property, plant and equipment	(1)	(165)
Dividend received	185	374
Net cash used in investing activities	184	209
Net increase in cash and cash equivalents	1,471	2,327
Cash and cash equivalents at beginning of period	1,198	12,078
Effects of currency translation on cash and cash equivalents	-	87
Cash and cash equivalents at end of period	2,669	14,492

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$'000	**Foreign currency translation reserve** S$'000	**Accumulated losses** S$'000	**Total** S$'000
Group				
3 months ended 30 September 2017				
Beginning of financial period	161,334	(15,939)	(117,528)	27,867
Total comprehensive loss	-	-	(1,538)	(1,538)
End of financial period	161,334	(15,939)	(119,066)	26,329
3 months ended 30 September 2016				
Beginning of financial period	161,325	(15,980)	(110,940)	34,405
Total comprehensive income/(loss)	-	13	(1,965)	(1,952)
End of financial period	161,325	(15,967)	(112,905)	32,453
Company				
3 months ended 30 September 2017				
Beginning of financial period	161,334	(15,939)	(114,523)	30,872
Total comprehensive loss	-	-	(1,352)	(1,352)
End of financial period	161,334	(15,939)	(115,875)	29,520
3 months ended 30 September 2016				
Beginning of financial period	161,325	(15,939)	(110,340)	35,046
Total comprehensive loss	-	-	(1,650)	(1,650)
End of financial period	161,325	(15,939)	(111,990)	33,396

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

The Company did not have any treasury shares or subsidiary holdings as at 30 September 2017 and 30 September 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:

	30/09/2017	**30/09/2016**
- 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")	2,592,009,576	2,593,863,776
	3,375,851,434	3,543,994,077

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.

	30/09/2017	**30/06/2017**
Total number of issued shares excluding treasury shares	3,892,649,864	3,892,649,864

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 2017, 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.**

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 2017. 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.**

	Continuing operations		Discontinued operations		Total	
1st Qtr Ended	**30/09/17**	**30/09/16** (re-presented)	**30/09/17**	**30/09/16** (re-presented)	**30/09/17**	**30/09/16** (re-presented)
Net loss attributable to equity holders of the Company (S$'000)	(1,538)	(1,836)	-	(129)	(1,538)	(1,965)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	3,892,650	3,890,796	3,892,650	3,890,796	3,892,650	3,890,796
Basic and diluted loss per share (cents per share)	(0.04)	(0.05)	-	-	(0.04)	(0.05)

As the Group was making losses for the financial period ended 30 September 2017 and 2016, the dilutive potential shares from the warrants were anti-dilutive and no changes were made to the diluted 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	
	30/09/2017	**30/06/2017**	**30/09/2017**	**30/06/2017**
Net asset value per ordinary share	S$0.01	S$0.01	S$0.01	S$0.01

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

First Quarter Ended 30 September 2017 ("1QFY18") vs First Quarter Ended 30 September 2016 ("1QFY17")

Revenue

The Group reported lower revenue of S$4.3 million in 1QFY18 as compared with the S$4.9 million recorded in 1QFY17. The decrease was due to a S$840,000 dropped in commissions earned from resale and new properties which was partly offset by a S$237,000 rise in commissions from international projects.

Gross profit

Even though lower revenue was reported in 1QFY18, gross profit was higher than in 1QFY17. This was attributable mainly to a higher proportion of commission income from international projects, which yielded higher net commission income.

Other loss, net

The figure reported in 1QFY18 was attributable mainly to the fair value loss on financial assets at fair value through profit or loss of S$1.1 million. The loss was partially offset by dividend income of S$185,000 and interest income of S$68,000.

Administrative expenses

A drop in administrative expenses of S$1.1 million was reported for 1QFY18, mainly because of lower professional fees, reimbursement of agents' CEA license renewal fees and travelling expenses, offset by higher staff salary and office rental expenses.

Loss from discontinued operations

The loss from discontinued operations for 1QFY18 consisted of the financial results of Century 21 Hong Kong Limited, which was disposed of on 15 November 2016.

Net loss

The Group reported a net loss of S$1.5 million in 1QFY18 as compared with the net loss of S$2.0 million posted in 1QFY17. The reduced net loss was due mainly to the higher gross profits and a contraction in other losses and administrative expenses, as mentioned above.

B. Review of Financial Position

Cash and cash equivalents

The increase in cash and cash equivalents was due mainly to net cash generated from operating activities.

Financial assets, at fair value through profit or loss

The Group's financial assets, at fair value through profit or loss, consist mainly of shares quoted on Bursa Malaysia. The decrease in financial assets was due mainly to a fair value loss of S$1.1 million.

Trade and other receivables

The drop in trade and other receivables was due mainly to the payment of a receivable amounting to S$1.8 million during 1QFY18.

Property, plant and equipment

The reduction in property, plant and equipment was due to a depreciation charge during the period.

C. Review of Cash Flow

In 1QFY18, the Group recorded an increase of S$1.5 million in cash and cash equivalents. The increase was due mainly to net cash from operating activities of S$1.2 million and dividends received of S$185,000.

The Group reported a positive change in working capital in 1QFY18 attributable mainly to the decrease in trade and other receivables of S$1.9 million and financial assets, at fair value through profit or loss of S$1.1 million as mentioned in 'Review of Financial Position" above.

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

In the past 6 months, there have been various changes in the Singapore real estate agency industry. The mergers of PropNex Realty with Dennis Wee Group; and of OrangeTee with Edmund Tie & Co, as well as the listing of APAC Realty, which operates the ERA property agency, have changed the competitive landscape of the sector. The Group expects operating conditions to be very challenging for the coming 12 months.

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 will work to grow its business through franchising, licensing, strategic alliances, joint ventures or mergers and acquisitions. The Group hopes to strengthen its market position and add value 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 subsidiaries (the "Target Group") are real estate developers in China and are considered pioneers in real estate development in the country.

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 CREU 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 9 October 2017, the Long-Stop Date of the S&P Agreement has been extended to 10 April 2018.

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 for acquisition 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*, the conditions precedent having been fulfilled or waived in accordance with the terms and conditions of the Huzhou SPA.

The shareholders approved the Proposed Huzhou Acquisition at an extraordinary general meeting held on 12 October 2017.

As announced on 23 October 2017, the Long-Stop Date of the Huzhou SPA has been extended to 23 November 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 30 September 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 30 September 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 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 the proceeds is in accordance with the stated use.

B. Proceeds from exercise of 2014 Warrants

As at 30 September 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 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 was 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	3,189	25.3	10-30*
Total	5,891	46.7	

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

With respect to the S$3.2 million 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	39.3
Payment of office overheads	27.6
Payment of professional fees and other compliance costs	33.1
Total	100.0

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
14 November 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 that might render the financial results for the first quarter ended 30 September 2017 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

(Signed)	(Signed)
Dato' Dr. Choo Yeow Ming Director	Lee Keng Mun Director

14 November 2017