

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Formerly known as China Real Estate Grp Ltd.)
(Company Reg. No. 200609901H)

Financial Statements And Related Announcements for the Half-Year Ended 31 December 2020

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

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

	Note	Half-Year Ended 31/12/2020 S\$'000	Half-Year Ended 31/12/2019 S\$'000	Increase/ (decrease) %
Revenue		567	274	106.9
Cost of sales		<u>(162)</u>	<u>(185)</u>	(12.4)
Gross profit		405	89	355.1
Other gains/(losses), net				
- Interest income from bank deposits		1	4	(75.0)
- Others		996	(542)	n.m.
Expenses				
- Distribution and marketing		(176)	(284)	(38.0)
- Administrative		(2,702)	(2,891)	(6.5)
- Finance		<u>(123)</u>	<u>(20)</u>	515.0
Loss before income tax		(1,599)	(3,644)	(56.1)
Income tax credit	A	<u>8</u>	<u>1</u>	700.0
Net loss	B	<u><u>(1,591)</u></u>	<u><u>(3,643)</u></u>	(56.3)
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation gain/(loss) arising from consolidation		457	(399)	n.m.
Items that will not be reclassified subsequently to profit or loss:				
Currency translation gain/(loss) arising from consolidation		177	(149)	n.m.
Other comprehensive income/(loss), net of tax		<u>634</u>	<u>(548)</u>	n.m.
Total comprehensive loss		<u><u>(957)</u></u>	<u><u>(4,191)</u></u>	(77.2)

n.m. = Not meaningful.

This document has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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	Note	Half-Year Ended 31/12/2020 S\$'000	Half-Year Ended 31/12/2019 S\$'000	Increase/ (decrease) %
Loss attributable to:				
Equity holders of the Company		(896)	(3,308)	(72.9)
Non-controlling interests		<u>(695)</u>	<u>(335)</u>	107.5
		<u>(1,591)</u>	<u>(3,643)</u>	(56.3)
Total comprehensive loss attributable to:				
Equity holders of the Company		(439)	(3,707)	(88.2)
Non-controlling interests		<u>(518)</u>	<u>(484)</u>	7.0
		<u>(957)</u>	<u>(4,191)</u>	(77.2)

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

25. Income tax credit

	Note	Half-Year Ended 31/12/2020 S\$'000	Half-Year Ended 31/12/2019 S\$'000	Increase/ (decrease) %
Deferred income tax		8	-	n.m.
Current income tax				
- Over provision in respect of prior year		<u>-</u>	<u>1</u>	n.m.
		<u>8</u>	<u>1</u>	n.m.

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

	Note	Half-Year Ended 31/12/2020 S\$'000	Half-Year Ended 31/12/2019 S\$'000	Increase/ (decrease) %
Interest expense:				
- Lease liabilities		(15)	(20)	(25.0)
- Bank borrowings	(i)	(108)	-	n.m.
Currency exchange gain/(loss)	(ii)	702	(342)	n.m.
Investment income:				
- Fair value loss on financial assets, at FVPL	(iii)	(45)	(96)	(53.1)
- Dividend income	(iv)	72	151	(52.3)
Depreciation and amortisation	(v)	(794)	(242)	228.1
Gain/(loss) on disposal of financial assets, at FVPL	(vi)	3	(315)	n.m.

Note (i)

The interest expense from bank borrowings in the six months financial period ended 31 December 2020 ("1HFY21") was in respect of term loans of RMB10.0 million and S\$5.0 million which were drawdown in January 2020 and June 2020 respectively.

Note (ii)

The Group reported a foreign exchange gain of S\$702,000 in 1HFY21 as compared to a foreign exchange loss of S\$342,000 in the six months ended 31 December 2019 ("1HFY20"). This was due mainly to the strengthening of the underlying currencies of the Group's financial assets in Malaysia Ringgit, and amounts due from subsidiary corporations in the People's Republic of China ("PRC") in Renminbi, against the reporting currency in Singapore Dollars.

Note (iii)

Fair value loss arose from the fluctuation in the quoted price of financial assets at FVPL. The lower fair value loss was due mainly to the stability of the quoted price of the financial assets during the period and as at the end of 1HFY21.

Note (iv)

Dividend income was derived from quoted investments. The lower dividend income in 1HFY21 was due to lower dividend declared and paid by the investee company.

Note (v)

The higher depreciation and amortisation expenses were mainly due to six-month's depreciation charges of the hotel building for the Group's Cheery Hotel Huzhou and its related fittings and equipment reported in 1HFY21, as compared to four-month's related deprecation charges in 1HFY20. Cheery Hotel Huzhou commenced its operations in October 2019 and started the depreciation thereafter.

Note (vi)

The gain/(loss) on disposal of financial assets at FVPL was in respect of the disposal of quoted shares.

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.

	Group		Company	
	31/12/2020	30/06/2020	31/12/2020	30/06/2020
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	3,606	4,030	299	3,427
Financial assets, at FVPL	5,148	3,381	5,148	3,381
Trade and other receivables	12,645	11,415	25,600	6,704
Inventories	186	183	-	-
Other current assets	1,665	1,660	125	133
Financial assets, at FVOCI	2,000	2,000	2,000	2,000
	<u>25,250</u>	<u>22,669</u>	<u>33,172</u>	<u>15,645</u>
Non-current assets				
Trade and other receivables	-	-	-	17,362
Development properties	11,974	11,642	-	-
Investment in subsidiary corporations	-	-	23,495	23,495
Property, plant and equipment	29,968	29,780	281	311
Intangible assets	24	27	-	-
	<u>41,966</u>	<u>41,449</u>	<u>23,776</u>	<u>41,168</u>
Total assets	<u>67,216</u>	<u>64,118</u>	<u>56,948</u>	<u>56,813</u>
LIABILITIES				
Current liabilities				
Trade and other payables	4,927	4,950	23	157
Borrowings	1,123	2,327	837	313
Current income tax liabilities	15	15	15	15
	<u>6,065</u>	<u>7,292</u>	<u>875</u>	<u>485</u>
Non-current liabilities				
Borrowings	10,336	5,066	4,443	5,005
Deferred income tax liabilities	566	559	-	-
	<u>10,902</u>	<u>5,625</u>	<u>4,443</u>	<u>5,005</u>
Total liabilities	<u>16,967</u>	<u>12,917</u>	<u>5,318</u>	<u>5,490</u>
Net assets	<u>50,249</u>	<u>51,201</u>	<u>51,630</u>	<u>51,323</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	195,738	195,733	195,738	195,733
Foreign currency translation reserve	(16,598)	(17,055)	(15,939)	(15,939)
Fair value reserve	(4,000)	(4,000)	(4,000)	(4,000)
Accumulated losses	(131,181)	(130,285)	(124,169)	(124,471)
	<u>43,959</u>	<u>44,393</u>	<u>51,630</u>	<u>51,323</u>
Non-controlling interests	<u>6,290</u>	<u>6,808</u>	<u>-</u>	<u>-</u>
Total equity	<u>50,249</u>	<u>51,201</u>	<u>51,630</u>	<u>51,323</u>

1(b)(ii) The aggregate amount of group’s borrowings and debt securities at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

	As at 31/12/2020		As at 30/06/2020	
	Secured S\$’000	Unsecured S\$’000	Secured S\$’000	Unsecured S\$’000
Term loan	841	-	1,971	-

Amount repayable after one year

	As at 31/12/2020		As at 30/06/2020	
	Secured S\$’000	Unsecured S\$’000	Secured S\$’000	Unsecured S\$’000
Term loan	10,231	-	5,000	-

Details of any collateral

- (a) The Group was granted a 5-year term loan facility of RMB30.0 million for working capital purposes from a licensed bank in the PRC. The term loan bears an interest of 7.5% per annum and is secured against:
- (i) a leasehold land measuring 10,638m² and the hotel building erected on the leasehold land owned by the Group, in Huzhou, PRC (the “Hotel Collateral”); and
 - (ii) a personal guarantee by Dato Dr Choo Yeow Ming (“Dr Choo”), the Chairman and Chief Executive Officer of the Group, of up to RMB55.0 million.

The term loan was fully drawdown in December 2020 and is repayable as below:

Repayment date	Amount (RMB)
21 December 2021	1,200,000
21 December 2022	1,800,000
21 December 2023	3,000,000
21 December 2024	12,000,000
15 December 2025	12,000,000

- (b) The Group was granted a 5-year term loan facility of S\$5.0 million for working capital purposes from a licensed bank in Singapore. The term loan bears an interest of 2.5% per annum and is secured against a deed of undertaking from Dr Choo to top up any principle and interest shortfall. The term loan has a tenor of 5 years and was fully drawn down in June 2020. It is repayable by 47 monthly principle and interest instalments of S\$109,571 commencing on 16 July 2021 and last principle and interest instalment of S\$109,670 on 16 June 2025.
- (c) During the financial year ended 30 June 2020 (“FY2020”), the Group was granted a term loan facility of RMB10.0 million for working capital purposes from a licensed bank in the PRC. The term loan bears an interest of 4.5% per annum and is secured against:
- (i) the Hotel Collateral; and
 - (ii) a corporate guarantee by Zhongfang Lianhe Grand Canal Cultural Tourism Group Co., Ltd, a subsidiary of the Company.

The term loan was fully drawn down in January 2020 and was fully repaid in December 2020.

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.

	Half-Year Ended	
	31/12/2020	31/12/2019
	S\$'000	S\$'000
Cash flows from operating activities		
Net loss	(1,591)	(3,643)
Adjustments for:		
- Income tax credit	(8)	(1)
- Interest expense on bank borrowings	108	-
- Interest expense on lease liabilities	15	20
- Interest income from bank deposits	(1)	(4)
- Dividend income	(72)	(151)
- Depreciation of property, plant and equipment	790	242
- Amortisation of intangible assets	4	-
- Unrealised currency transaction differences	(653)	-
	<u>(1,408)</u>	<u>(3,537)</u>
Changes in working capital:		
- Development properties	(19)	-
- Trade and other receivables	(900)	(46)
- Financial assets, at FVPL	(1,766)	3,086
- Inventories	1	(183)
- Other current assets	16	(119)
- Trade and other payables	(147)	(153)
	<u>(4,223)</u>	<u>(952)</u>
Cash used in operations	(4,223)	(952)
Income tax refunded, net	-	1
Interest received	1	4
	<u>(4,222)</u>	<u>(947)</u>
Net cash used in operating activities		
Cash flows from investing activities		
- Additions to property, plant and equipment	(18)	(4,563)
- Additions to intangible assets	-	(58)
- Dividend received	72	151
	<u>54</u>	<u>(4,470)</u>
Net cash provided by/(used in) investing activities		
Cash flows from financing activities		
- Proceeds from issuance of new shares pursuant to exercise of warrants	5	-
- Drawdown of bank borrowings	5,989	-
- Repayment of bank borrowings	(2,024)	-
- Interest paid for bank borrowings	(108)	-
- Interest paid for lease liabilities	(15)	(20)
- Principal repayment of lease liabilities	(192)	(180)
	<u>3,655</u>	<u>(200)</u>
Net cash provided by/(used in) financing activities		
Net decrease in cash and cash equivalents	(513)	(5,617)
Cash and cash equivalents		
Beginning of financial period	4,030	6,874
Effects of currency translation on cash and cash equivalents	89	260
	<u>3,606</u>	<u>1,517</u>
End of financial period		

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 →				Non-controlling interests	Total
	Share capital	Foreign currency translation reserve	Fair value reserve	Accumulated losses		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
Half-year ended 31 December 2020						
Balance as at 1 July 2020	195,733	(17,055)	(4,000)	(130,285)	44,393	51,201
Total comprehensive loss	-	457	-	(896)	(439)	(957)
Issuance of new ordinary shares pursuant to exercise of warrants	5	-	-	-	5	5
Balance as at 31 December 2020	<u>195,738</u>	<u>(16,598)</u>	<u>(4,000)</u>	<u>(131,181)</u>	<u>43,959</u>	<u>50,249</u>
Half-year ended 31 December 2019						
Balance as at 1 July 2019	195,733	(17,067)	(4,000)	(124,397)	50,269	58,146
Total comprehensive loss	-	(399)	-	(3,308)	(3,707)	(4,191)
Balance as at 31 December 2019	<u>195,733</u>	<u>(17,466)</u>	<u>(4,000)</u>	<u>(127,705)</u>	<u>46,562</u>	<u>53,955</u>

Company	Share capital	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Half-year ended 31 December 2020					
Balance as at 1 July 2020	195,733	(15,939)	(4,000)	(124,471)	51,323
Total comprehensive income	-	-	-	302	302
Issuance of new ordinary shares pursuant to exercise of warrants	5	-	-	-	5
Balance as at 31 December 2020	<u>195,738</u>	<u>(15,939)</u>	<u>(4,000)</u>	<u>(124,169)</u>	<u>51,630</u>
Half-year ended 31 December 2019					
Balance as at 1 July 2019	195,733	(15,939)	(4,000)	(122,179)	53,615
Total comprehensive loss	-	-	-	(1,874)	(1,874)
Balance as at 31 December 2019	<u>195,733</u>	<u>(15,939)</u>	<u>(4,000)</u>	<u>(124,053)</u>	<u>51,741</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

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

	Number of issued shares
Balance at 1 July 2020	17,824,183,658
Issuance of new ordinary shares pursuant to the exercise of the 2015 Warrants (as defined herein)	<u>1,563,370</u>
Balance at 31 December 2020	<u>17,825,747,028</u>

The Company did not have any treasury shares or subsidiary holdings as at 31 December 2020 and 31 December 2019.

The number of shares that may be issued on conversion of the Company's outstanding warrants as at the end of the current financial period reported on and at the end of the corresponding period of the immediately preceding financial year:

	31/12/2020	31/12/2019
- Warrants expiring on 19 November 2020 ("2015 Warrants")	-	4,443,277,094
- Warrants expiring on 30 January 2023 ("2018 Warrants A")	10,008,570,063	10,008,570,063
- Warrants expiring on 26 July 2023 ("2018 Warrants B")	<u>6,145,168,199</u>	<u>6,145,168,199</u>
	<u>16,153,738,262</u>	<u>20,597,015,356</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 year.

	31/12/2020	31/12/2019
Total number of issued shares excluding treasury shares	<u>17,825,747,028</u>	<u>17,824,183,658</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, a statement on whether there are any qualifications, disclaimer of opinion, adverse opinion or emphasis of matter (including material uncertainties on going concern).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest financial statements for FY2020 do not have any adverse opinion, qualified opinion or disclaimer of opinion.

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 FY2020, 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 SFRS(I) and Interpretation of SFRS(I) ("SFRS(I) INT") that are relevant to its operations and effective from annual periods beginning on or after 1 July 2020. The adoption of the new/revised SFRS(I) and SFRS(I) INT 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) based on the weighted average number of ordinary shares on issue; and
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Financial Period Ended	
	31/12/2020	31/12/2019
Net loss attributable to equity holders of the Company (S\$'000)	<u>(896)</u>	<u>(3,308)</u>
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<u>17,824,915</u>	<u>17,824,184</u>
Basic loss per share (cents per share)	<u>(0.01)</u>	<u>(0.02)</u>

As the Group was making losses for the financial periods ended 31 December 2020 and 31 December 2019, 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 the total number of issued shares 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	
	31/12/2020	30/06/2020	31/12/2020	30/06/2020
Net asset value per ordinary share	<u>S\$0.002</u>	<u>S\$0.002</u>	<u>S\$0.003</u>	<u>S\$0.003</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

Revenue and gross profit

The Group reported higher revenue of S\$567,000 in 1HFY21 as compared with the S\$274,000 recorded in 1HFY20. The increase was a combination of higher monthly revenue from hotel operations and the 6-months revenue being recorded in 1HFY21, as compared with the 4-months revenue being recorded in 1HFY20.

The Group's gross profit increased by S\$316,000 to S\$405,000 in 1HFY21. This was in line with the higher revenue from the hotel operations as mentioned above.

Other gains/(losses), net

The other gains reported in 1HFY21 was attributable mainly to a foreign exchange gain of S\$702,000 (as compared to a foreign exchange loss of S\$342,000 in 1HFY20), and a gain of S\$3,000 from disposal of financial assets, at FVPL (as compared to a loss on disposal of financial assets, at FVPL of S\$315,000 in 1HFY20).

Distribution and marketing expenses

The decrease in distribution and marketing expenses was attributable mainly to lower headcount for the marketing department.

Finance expenses

The higher finance expenses in 1HFY21 was due mainly to more term loans being drawdown during the financial period being reported on.

Net loss

The Group reported a net loss of S\$1.6 million in 1HFY21 as compared with the net loss of S\$3.6 million posted in 1HFY20. The lower net loss was due mainly to the higher revenue and higher other gains as mentioned above.

B. Review of Financial Position

The Group

Cash and cash equivalents

The decrease in cash and cash equivalents was due mainly to cash outflows of S\$4.2 million in operating activities as the Group incurred a loss in 1HFY21. This was partly offset by net drawdown of bank borrowings amounting to S\$4 million.

Financial assets, at FVPL

The Group's financial assets, at FVPL, consist mainly of shares quoted on Bursa Malaysia. The increase in financial assets was due mainly to the purchase of quoted shares.

Trade and other receivables

The increase in trade and other receivables was attributable mainly to higher other receivables and input tax as at the end of 1HFY21.

Borrowings

The increase in the Group's borrowings was due mainly to the drawdown of the RMB30.0 million term loan, offset by a repayment of the RMB10.0 million term loan during the financial period being reported on.

The Company

Cash and cash equivalents

The decrease in cash and cash equivalents was due mainly to cash outflows from operating activities as the Company incurred a loss in 1HFY21. The decrease was also due to the purchase of financial assets at FVPL during the financial period being reported on.

Financial assets, at FVPL

The increase in financial assets was due mainly to the purchase of quoted shares.

Trade and other receivables

The amount due from subsidiary corporations which was classified as non-current assets in the previous financial year was classified as current assets as at 1HFY21. This amount are due within the next 12 month from the balance sheet date.

Trade and other payables

The decrease in trade and other payables was due mainly to payment to the creditors.

C. Review of Cash Flow

In 1HFY21, the Group recorded a decrease of S\$513,000 in cash and cash equivalents. The decrease was due mainly to net cash used in operating activities of S\$4.2 million. The cash outflow resulted from the operating loss during the financial period being reported on, purchase of financial assets at FVPL and increase in trade and other receivables.

The decrease was partly offset by the net cash provided by financing activities of S\$3.7 million. This was mainly due to the net drawdown of the RMB20.0 million (approximately S\$4.0 million) from term loans during the financial period being reported on.

9. Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variances between it and 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.

The COVID-19 pandemic continues to evolve, with new COVID-19 variants reported globally. The PRC successfully controlled the spread of the COVID-19 infections in the second and third quarter of 2020. However, hundreds of locally transmitted COVID-19 cases were reported in the PRC in the last quarter of 2020. This has caused the municipal PRC governments to impose stricter measures to contain the spread of the COVID-19 infections, and these measures have impacted the hospitality industry adversely. As a result, the Group experienced cancellation of room and food & beverages bookings in January and February 2021. The Group expects the COVID-19 pandemic to continue to negatively impact the Group's hospitality business, and it expects to be in a loss position for FY2021.

As for the residential and commercial development in Huzhou, the Group is revising the development implementation and business plans, taking into consideration the local provincial government's suggestions to include healthcare facilities and high-tech learning institutions in the Huzhou Project.

11. If a decision regarding dividend has been made:

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

No dividend for the current financial period reported on has been declared (recommended).

**(b) (i) Amount per share cents
(ii) Previous corresponding period cents**

Not applicable.

- (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 and the reason(s) for the decision.**

No dividend has been declared for the period ended 31 December 2020 because of losses incurred in the financial period ended 31 December 2020 and the financial position of the Company.

13. **If the Group has obtained a general mandate from shareholders for interested person transactions (“IPs”), 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 period ended 31 December 2020.

14. **Negative confirmation pursuant to Rule 705(5) (not required for announcement on full year results).**

The Board confirms that to the best of its knowledge, nothing has come to the attention of the board of directors of the Company that might render the financial results for the half-year ended 31 December 2020 to be false or misleading in any material respect. A statement signed by two directors is on record.

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).

PART II INTERESTED PERSON TRANSACTIONS, USE OF PROCEEDS AND WHITE WASH WAIVER

16. **The aggregate value of transactions conducted pursuant to the general mandate for the financial periods which it is required to report on pursuant to Rule 705 within the time required for the announcement of such report. The disclosure must be in the form set out in Rule 907.**

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 period ended 31 December 2020.

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

17. **The status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 of the Catalist Rules and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.**

Rights cum warrants issue completed on 27 July 2018 (“2018 Rights cum Warrants Issue B”)

On 27 July 2018, the Company issued 6,145,168,199 new ordinary shares at S\$0.002 per share pursuant to the 2018 Rights cum Warrants Issue B and raised net proceeds of S\$12,022,000. The status in terms of utilisation of proceeds is as follows:

Use of Proceeds	Actual utilisation S\$’000	As a percentage of net proceeds %	Proposed utilisation ratio %
To fund the proposed expansion of the new business of property development and property investments	9,617	80.0	50-80*
Funding growth and expansion	-	-	10-30*
General working capital	<u>2,405</u>	<u>20.0</u>	10-30*
Total	<u>12,022</u>	<u>100.0</u>	

Note:

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

With respect to the S\$2,405,000 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	56.9
Payment of office overheads	25.4
Payment of professional fees and other compliance costs	<u>17.7</u>
Total	<u>100.0</u>

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

18. Whitewash waiver

Capitalised terms used below, unless otherwise defined, shall have the same meanings as defined in the circular to shareholders of the Company dated 21 November 2017 (the “2017 Circular”).

In connection with the Rights cum Warrants Issue (as defined in the 2017 Circular), the Securities Industry Council of Singapore (the “SIC”) had on 6 November 2017 waived the obligation under Rule 14 of the Singapore Code on Take-overs and Mergers (the “Code”) for Mr Oei Hong Leong (“Mr Oei”) and his concert parties (the “Concert Party Group”) to make a Mandatory Offer for the Company in the event the Concert Party Group increases their aggregate shareholding in the Company to 30% or more based on the Company’s enlarged issued share capital as a result of:

- the subscription for Rights Shares (as defined in the 2017 Circular) pursuant to the Sub-underwriting Commitment (as defined in the 2017 Circular) or Rights cum Warrants Issue,
- the exercise of 2018 Warrants A subscribed for pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue, or
- the exercise of Adjustment Warrants (as defined in the 2017 Circular),

(the “Whitewash Waiver”).

Disclosure Note required under the Code

In the Extraordinary General Meeting held on 6 December 2017, the Shareholders of the Company approved, *inter alia*, (i) a rights cum warrants issue of up to 14,537,002,596 new ordinary shares with 14,537,002,596 warrants; and (ii) a Whitewash Resolution (as defined in the 2017 Circular). The disclosures as required under Note 2, Section 2 of Appendix 1 of the Code are set out below:

- (a) the Shareholders (other than Mr. Hano Maeloa and Ms Oei Siu Hoa @ Sukmawati Widjaja, the concert parties of the Concert Party Group and parties not independent of them) approved the Whitewash Resolution waiving their rights to receive a mandatory general offer from the Concert Party Group in accordance with Rule 14 of the Code, in the event that the Concert Party Group’s subscription of the Rights Shares and Warrant Shares (as defined in the 2017 Circular) arising from the exercise of the Rights cum Warrants Issue and/or the Adjustment Warrant Shares (as defined in the 2017 Circular) arising from the exercise of the Adjustment Warrants (including (a) the subscription of up to 7,785,299,728 Rights Shares by Mr. Oei pursuant to the Sub-underwriting Commitment; and/or (b) the exercise of up to 7,785,299,728 2018 Warrants A subscribed by Mr. Oei under the Sub-underwriting Commitment) results in the Concert Party Group incurring an obligation to make a mandatory general offer pursuant to Rule 14 of the Code. To rely on the Whitewash Resolution, the acquisition of Rights Shares and 2018 Warrants A under the Rights cum Warrants Issue by the Concert Party Group must be completed within three (3) months of the approval of the Whitewash Resolution, and (A) the acquisition of the Warrant Shares by the Concert Party Group upon the exercise of the 2018 Warrants A and (B) the acquisition of new Shares upon the exercise of the Adjustment Warrants by Mr. Hano Maeloa and Ms. Oei Siu Hoa @ Sukmawati Widjaja must be completed with five (5) years of the date of issue of the Warrants A (being 30 January 2023);
- (b) based on the latest available information, the Concert Party Group holds in aggregate:
 - (i) 6,669,033,775 Shares representing 37.41% of the voting rights in the capital of the Company; and
 - (ii) 5,228,472,227 2018 Warrants A and 2,197,820,126 2018 Warrants B (collectively, the “Convertibles”);
- (c) the maximum potential voting rights of the Concert Party Group in the Company, assuming that only the Concert Party Group (but not other Shareholders) exercise their Convertibles in full is 55.82% (based on the enlarged share capital which includes the shares issued arising from the exercise of Convertibles held by the Concert Party Group);
- (d) having approved the Whitewash Resolution on 6 December 2017, Shareholders have waived their rights to a general offer from the Concert Party Group and their concert parties at the highest price paid by the Concert Party Group for Shares in the past 6 months preceding the commencement of the offer; and
- (e) having approved the Whitewash Resolution on 6 December 2017, Shareholders could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of (A) the 2018 Warrants A subscribed by the Concert Party Group pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue and (B) the Adjustment Warrants to be issued to Mr Hano Maeloa and Ms Oei Siu Hoa @ Sukmawati Widjaja.

BY ORDER OF THE BOARD

**Lee Keng Mun
Chief Operating Officer
10 February 2021**