

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2023

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	6 Months Ended		Increase/ (decrease) %	12 Months Ended		Increase/ (decrease) %
	30/06/2023 S\$'000	30/06/2022 S\$'000 (Re-presented)		30/06/2023 S\$'000	30/06/2022 S\$'000 (Re-presented)	
Continuing operations						
Revenue	-	-	n.m.	-	-	n.m.
Cost of sales	-	-	n.m.	-	-	n.m.
Gross profit	-	-	n.m.	-	-	n.m.
Other gains/(losses), net						
- Interest income	161	-	n.m.	162	1	>100.0
- Others	557	(521)	n.m.	(1,273)	(83)	>100.0
Expenses						
- Administrative	(2,963)	(2,071)	43.1	(4,809)	(3,437)	39.9
- Finance	(66)	(306)	(78.4)	(404)	(616)	(34.4)
Loss before income tax	(2,311)	(2,898)	(20.3)	(6,324)	(4,135)	52.9
Income tax credit	-	-	n.m.	-	15	n.m.
Loss from continuing operations	(2,311)	(2,898)	(20.3)	(6,324)	(4,120)	53.5
Discontinued operations						
Loss from discontinued operations	(25)	(12,416)	(99.8)	(400)	(13,570)	(97.1)
Total loss	(2,336)	(15,314)	(84.7)	(6,724)	(17,690)	(62.0)
Other comprehensive income/(loss):						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation gain/(loss) arising from consolidation	119	(291)	n.m.	(818)	(22)	>100.0
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
- Currency translation loss arising from consolidation	(76)	(105)	(27.6)	(413)	(9)	>100.0
Other comprehensive income/(loss), net of tax	43	(396)	n.m.	(1,231)	(31)	>100.0
Total comprehensive loss	(2,293)	(15,710)	(85.4)	(7,955)	(17,721)	(55.1)

n.m. = Not meaningful.

	6 Months Ended		Increase/	12 Months Ended		Increase/
	30/06/2023	30/06/2022	(decrease)	30/06/2023	30/06/2022	(decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
		(Re-presented)			(Re-presented)	
Loss attributable to:						
Equity holders of the Company	(2,008)	(12,163)	(83.5)	(5,993)	(13,945)	(57.0)
Non-controlling interests	<u>(328)</u>	<u>(3,151)</u>	(89.6)	<u>(731)</u>	<u>(3,745)</u>	(80.5)
	<u>(2,336)</u>	<u>(15,314)</u>	(84.7)	<u>(6,724)</u>	<u>(17,690)</u>	(62.0)
Loss attributable to equity holders of the Company relates to:						
Loss from continuing operations	(1,991)	(2,450)	(18.7)	(5,682)	(3,330)	70.6
Loss from discontinued operations	<u>(17)</u>	<u>(9,713)</u>	(99.8)	<u>(311)</u>	<u>(10,615)</u>	(97.1)
	<u>(2,008)</u>	<u>(12,163)</u>	(83.5)	<u>(5,993)</u>	<u>(13,945)</u>	(57.0)
Total comprehensive loss attributable to:						
Equity holders of the Company	(1,889)	(12,454)	(84.8)	(6,811)	(13,967)	(51.2)
Non-controlling interests	<u>(404)</u>	<u>(3,256)</u>	(87.6)	<u>(1,144)</u>	<u>(3,754)</u>	(69.5)
	<u>(2,293)</u>	<u>(15,710)</u>	(85.4)	<u>(7,955)</u>	<u>(17,721)</u>	(55.1)
Loss per share for loss attributable to equity holders of the Company						
Basic and diluted loss per share (SGD cents per share)						
From continuing operations	(0.01)	(0.01)		(0.03)	(0.02)	
From discontinued operations	<u>(0.0001)</u>	<u>(0.06)</u>		<u>(0.002)</u>	<u>(0.06)</u>	

B. Condensed interim statements of financial position

	Group		Company	
	30/06/2023 S\$'000	30/06/2022 S\$'000	30/06/2023 S\$'000	30/06/2022 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	1,819	961	24	291
Trade and other receivables	5,545	1,397	24,309	26,485
Inventories	-	10	-	-
Other current assets	1,497	1,678	119	116
Financial assets, at FVOCI	_*	_*	_*	_*
	<u>8,861</u>	<u>4,046</u>	<u>24,452</u>	<u>26,892</u>
Non-current assets				
Trade and other receivables	8,963	9,971	-	-
Development properties	14,516	14,843	-	-
Investment in subsidiary corporations	-	-	12,689	26,812
Property, plant and equipment	121	17,102	81	24
	<u>23,600</u>	<u>41,916</u>	<u>12,770</u>	<u>26,836</u>
Total assets	<u>32,461</u>	<u>45,962</u>	<u>37,222</u>	<u>53,728</u>
LIABILITIES				
Current liabilities				
Trade and other payables	10,001	7,795	4,497	1,794
Borrowings	1,329	1,718	1,329	1,334
Provision for reinstatement costs	50	50	50	50
	<u>11,380</u>	<u>9,563</u>	<u>5,876</u>	<u>3,178</u>
Non-current liabilities				
Borrowings	1,308	8,118	1,308	2,479
Deferred income tax liabilities	-	558	-	-
	<u>1,308</u>	<u>8,676</u>	<u>1,308</u>	<u>2,479</u>
Total liabilities	<u>12,688</u>	<u>18,239</u>	<u>7,184</u>	<u>5,657</u>
Net assets	<u>19,773</u>	<u>27,723</u>	<u>30,038</u>	<u>48,071</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	195,743	195,738	195,743	195,738
Foreign currency translation reserve	(17,012)	(16,158)	(15,939)	(15,939)
Fair value reserve	(6,000)	(6,000)	(6,000)	(6,000)
Accumulated losses	(156,464)	(148,311)	(143,766)	(125,728)
	<u>16,267</u>	<u>25,269</u>	<u>30,038</u>	<u>48,071</u>
Non-controlling interests	<u>3,506</u>	<u>2,454</u>	<u>-</u>	<u>-</u>
Total equity	<u>19,773</u>	<u>27,723</u>	<u>30,038</u>	<u>48,071</u>

* Less than S\$1,000

C. Condensed interim statements of changes in equity

	← Attributable to equity holders of the Company →					Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Foreign currency translation reserve S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000	Total S\$'000		
Group 2023							
Balance as at 1 July 2022	195,738	(16,158)	(6,000)	(148,311)	25,269	2,454	27,723
Total comprehensive loss for the financial year	-	(818)	-	(5,993)	(6,811)	(1,144)	(7,955)
Issuance of new ordinary shares pursuant to exercise of warrants	5	-	-	-	5	-	5
Effect of dilution in non-controlling interests	-	-	-	(19)	(19)	19	-
Acquisition of additional interests in a subsidiary corporation	-	(36)	-	(2,141)	(2,177)	2,177	-
Balance as at 30 June 2023	<u>195,743</u>	<u>(17,012)</u>	<u>(6,000)</u>	<u>(156,464)</u>	<u>16,267</u>	<u>3,506</u>	<u>19,773</u>
2022							
Balance as at 1 July 2021	195,738	(16,133)	(6,000)	(134,244)	39,361	6,083	45,444
Total comprehensive loss for the financial year	-	(22)	-	(13,945)	(13,967)	(3,754)	(17,721)
Effect of dilution in non-controlling interests	-	(3)	-	(122)	(125)	125	-
Balance as at 30 June 2022	<u>195,738</u>	<u>(16,158)</u>	<u>(6,000)</u>	<u>(148,311)</u>	<u>25,269</u>	<u>2,454</u>	<u>27,723</u>

Company	Share capital S\$'000	Foreign currency translation reserve S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
2023					
Balance as at 1 July 2022	195,738	(15,939)	(6,000)	(125,728)	48,071
Total comprehensive loss for the financial year	-	-	-	(18,038)	(18,038)
Issuance of new ordinary shares pursuant to exercise of warrants	5	-	-	-	5
Balance as at 30 June 2023	<u>195,743</u>	<u>(15,939)</u>	<u>(6,000)</u>	<u>(143,766)</u>	<u>30,038</u>
2022					
Balance as at 1 July 2021	195,738	(15,939)	(6,000)	(124,950)	48,849
Total comprehensive loss for the financial year	-	-	-	(778)	(778)
Balance as at 30 June 2022	<u>195,738</u>	<u>(15,939)</u>	<u>(6,000)</u>	<u>(125,728)</u>	<u>48,071</u>

D. Condensed interim consolidated statement of cash flows

	12 Months Ended	
	30/06/2023 S\$'000	30/06/2022 S\$'000
Cash flows from operating activities		
Net loss	(6,724)	(17,690)
Adjustments for:		
- Income tax credit	(7)	(31)
- Interest expense on bank borrowings	296	580
- Interest expense on lease liabilities	9	18
- Interest expense on other payables	101	20
- Interest income	(162)	(1)
- Dividend income	-	(33)
- Depreciation of property, plant and equipment	339	1,591
- Amortisation of intangible assets	-	4
- Fair value loss on financial assets, at FVPL	-	101
- Loss on disposal of financial assets, at FVPL	-	76
- Intangible assets written-off	-	17
- Gain on disposal of business segment	(1,302)	-
- Gain on disposal of property, plant and equipment	-	(2)
- Impairment loss on property, plant and equipment	-	11,598
- Gain on lease modification	(5)	(7)
- Unrealised currency transaction differences	3,351	58
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	(4,104)	(3,701)
Changes in working capital:		
- Development properties	(1,171)	(1,237)
- Trade and other receivables	(222)	1,592
- Financial assets, at FVPL	-	2,648
- Inventories	(6)	179
- Other current assets	(44)	(1)
- Trade and other payables	3,042	2,304
- Provision for reinstatement costs	-	50
	<hr/>	<hr/>
Cash provided by operations	(2,505)	1,834
- Interest received	162	1
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(2,343)	1,835
Cash flows from investing activities		
- Additions to property, plant and equipment	-	(8)
- Proceeds from disposal of property, plant and equipment	-	2
- Dividend received	-	33
- Cash flow from disposal of business segment	10,641	-
	<hr/>	<hr/>
Net cash provided by investing activities	10,641	27

	12 Months Ended	
	30/06/2023	30/06/2022
	S\$'000	S\$'000
Cash flows from financing activities		
- Proceeds from issuance of new shares pursuant to exercise of warrants	5	-
- Repayment of borrowings	(6,850)	(1,459)
- Interest paid for borrowings	(296)	(580)
- Principal repayment of lease liabilities	(69)	(365)
- Interest paid for lease liabilities	(9)	(18)
- Interest paid on other payables	(101)	-
	<u>(7,320)</u>	<u>(2,422)</u>
Net cash used in financing activities		
	978	(560)
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents		
Beginning of financial year	961	1,537
Effects of currency translation on cash and cash equivalents	(120)	(16)
	<u>1,819</u>	<u>961</u>
End of financial year		

E. Notes to the condensed interim consolidated financial statements

N1. Corporate information

Asia-Pacific Strategic Investments Limited (the “Company”) was incorporated as a public company limited by shares, in Singapore on 6 July 2006 and is listed on the Catalist Board of Singapore Exchange Securities Trading Limited (“SGX-ST”) on 31 August 2007. These condensed interim consolidated financial statements as at and for the second half and full year ended 30 June 2023 comprise the Company and its subsidiary corporations (collectively, the “Group”).

The principal place of operation is at 1 Scotts Road #20-07 Shaw Centre, Singapore 228208 and the registered office is at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary corporations are real estate developer and provision of hotel management and hospitality services.

N2. Basis of preparation

The condensed interim financial statements for the second half and full year ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars which is the Company’s functional currency.

N2.1 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

N2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 11 – Estimated impairment of non-financial assets
- Note 12 – Net realisable value of development properties
- Note 13 – Impairment of other receivables.

N2.3 Going concern

The Group incurred a net loss of S\$6,724,000 for the full year ended 30 June 2023 (2022: S\$17,690,000) and is in a net current liabilities position of S\$2,519,000 as at 30 June 2023 (2022: S\$5,517,000).

Notwithstanding the above mentioned, the Board of Directors has assessed that the going concern basis of preparation for the condensed interim financial statements for the second half and full year ended 30 June 2023 remains appropriate after considering the following:

- (i) Included in trade and other payables as at 30 June 2023 are (a) advance from a director amounting to S\$2.8 million which is repayable when the Company has the ability to pay (see N2.3(ii) below); and (b) accrued construction cost of S\$1.3 million which the final contract sum is not finalised. It is expected that the payment of this construction cost will be delayed beyond 12 months from 30 June 2023.
- (ii) On 28 August 2023, The Group's Executive Chairman and Chief Executive Officer, Dato' Dr Choo Yeow Ming ("Dato' Choo") undertakes to provide financial support to the Group of up to S\$6.0 million in order to enable the Group to continue its operations as a going concern for 18 months from 28 August 2023 and to meet its liabilities as and when they fall due. In addition, Dato' Choo will also not seek repayment of any amount of advances provided to the Company within 18 months from 28 August 2023 until the Company has the ability to make payments.
- (iii) Based on the next 12-month cash flow projection, the Group will have sufficient cash flow to meet the operating requirements.

The Board confirms that the Group will be able to meet its short-term debt obligations when they fall due based on the implementation of the aforementioned steps and continue to operate as a going concern and confirms that all material disclosures have been provided for trading of the Company's shares to continue in an orderly manner.

N3. Seasonal operations

The Group's hospitality business may be affected by seasonal or cyclical factors including but not limited to the national holidays, school holidays, festive seasons and the weather conditions. The Group ceased to engage in the hospitality business after it lost control of Yashe and the Hotel Assets pursuant to the terms and conditions of the Acquisition Agreement.

N4. Segment and revenue information

The management has determined the operating segments based on the reports reviewed by the management team that are used to make strategic decisions. The management team comprises the Chief Executive Officer, Chief Operating Officer and the heads of each business segment.

The Group is organised into business units based on both geography and business segment. The Group has three reportable operating segments: investment, real estate development and hospitality.

N4.1 Reportable segments

For 6 Months Ended 30 June 2023

	Singapore	← PRC →	Hospitality	Total
	Investment S\$'000	Real estate development S\$'000		
Group				
Revenue from external parties	-	-	-	-
Gross profit	-	-	-	-
Other gains/(losses), net				
- Interest income	-	161	-	161
- Others	(841)	1,398	-	557
Administrative expenses	(1,052)	(1,911)	-	(2,963)
Finance expenses	(46)	(20)	-	(66)
Loss before income tax	(1,939)	(372)	-	(2,311)
Income tax credit	-	-	-	-
Net loss	(1,939)	(372)	-	(2,311)
Depreciation	32	10	-	42

For 6 Months Ended 30 June 2022 (Re-presented)

	Singapore	← PRC →	Hospitality	Total
	Investment S\$'000	Real estate development S\$'000		
Group				
Revenue from external parties	-	-	-	-
Gross profit	-	-	-	-
Other gains/(losses), net				
- Interest income	-	-	-	-
- Others	(523)	2	-	(521)
Administrative expenses	(1,140)	(931)	-	(2,071)
Finance expenses	(57)	(249)	-	(306)
Loss before income tax	(1,720)	(1,178)	-	(2,898)
Income tax credit	-	-	-	-
Net loss	(1,720)	(1,178)	-	(2,898)
Depreciation	182	27	-	209

For 12 Months Ended 30 June 2023

Group	Singapore	← PRC →		Total S\$'000
	Investment S\$'000	Real estate development S\$'000	Hospitality S\$'000	
Revenue from external parties	-	-	-	-
Gross profit	-	-	-	-
Other gains/(losses), net				
- Interest income	-	162	-	162
- Others	(2,710)	1,437	-	(1,273)
Administrative expenses	(2,584)	(2,225)	-	(4,809)
Finance expenses	(90)	(314)	-	(404)
Loss before income tax	(5,384)	(940)	-	(6,324)
Income tax credit	-	-	-	-
Net loss	(5,384)	(940)	-	(6,324)
Depreciation	68	25	-	93
Segment assets	225	32,236	-	32,461
Segment liabilities	7,188	5,500	-	12,688

For 12 Months Ended 30 June 2022 (Re-presented)

Group	Singapore	← PRC →		Total S\$'000
	Investment S\$'000	Real estate development S\$'000	Hospitality S\$'000	
Revenue from external parties	-	-	-	-
Gross profit	-	-	-	-
Other gains/(losses), net				
- Interest income	-	1	-	1
- Others	(218)	135	-	(83)
Administrative expenses	(2,096)	(1,341)	-	(3,437)
Finance expenses	(125)	(491)	-	(616)
Loss before income tax	(2,439)	(1,696)	-	(4,135)
Income tax credit	15	-	-	15
Net loss	(2,424)	(1,696)	-	(4,120)
Depreciation	368	55	-	423
Segment assets	442	24,704	20,816	45,962
Segment assets include Additions to:				
- Property, plant and equipment	293	-	22	315
Segment liabilities	5,671	2,066	10,502	18,239

N4.2 A breakdown of sales

	Latest financial year S\$'000	Previous financial year S\$'000 (Re- presented)	Increase/ (decrease) %
(a) Sales reported for first half-year	-	-	n.m.
(b) Operating loss after tax before deducting non-controlling interests reported for first half-year	(4,388)	(2,376)	84.7
(c) Sales reported for second half-year	-	-	n.m.
(d) Operating loss after tax before deducting non-controlling interests reported for second half-year	(2,336)	(15,314)	(84.7)

N5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2023 and 30 June 2022:

	Group		Company	
	30/6/2023 S\$'000	30/06/2022 S\$'000	30/6/2023 S\$'000	30/06/2022 S\$'000
Financial assets				
Financial assets, at FVOCI	_*	_*	_*	_*
Financial assets at amortised cost	<u>16,167</u>	<u>12,081</u>	<u>24,425</u>	<u>26,867</u>
	<u>16,167</u>	<u>12,081</u>	<u>24,425</u>	<u>26,867</u>
Financial liabilities				
Financial liabilities at amortised cost	<u>12,177</u>	<u>17,631</u>	<u>7,134</u>	<u>5,607</u>

* Less than S\$1,000

N6. Loss before income tax**N6.1 Significant items**

	6 Months Ended		12 Months Ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	S\$'000	S\$'000 (Re-presented)	S\$'000	S\$'000 (Re-presented)
Interest expense:				
- Lease liabilities	(4)	(4)	(6)	(16)
- Bank borrowings	(38)	(282)	(296)	(580)
- Other payables	(23)	(20)	(101)	(20)
Rental income	95	-	95	103
Currency exchange loss - net	(841)	(528)	(2,717)	(83)
Investment income:				
- Fair value loss on financial assets, at FVPL	-	-	-	(101)
- Dividend income	-	-	-	33
Depreciation of property, plant and equipment	(42)	(209)	(93)	(423)
Loss on disposal of financial assets, at FVPL	-	-	-	(76)
Gain on disposal of business segment	1,302	-	1,302	-

N6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

N7. Income taxes

	6 Months Ended		12 Months Ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	S\$'000	S\$'000 (Re-presented)	S\$'000	S\$'000 (Re-presented)
Tax credit attributable to loss is made up of:				
Over provision in respect of prior year:				
- Current income tax	-	-	-	(15)

N8. Loss per share**For 6 Months Ended 30 June 2023**

	Continuing operations		Discontinued operations		Total	
	30/06/2023	30/06/2022 (Re-presented)	30/06/2023	30/06/2022 (Re-presented)	30/06/2023	30/06/2022
Net loss attributable to equity holders of the Company (S\$'000)	<u>(1,991)</u>	<u>(2,450)</u>	<u>(17)</u>	<u>(9,713)</u>	<u>(2,008)</u>	<u>(12,163)</u>
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<u>17,828,142</u>	<u>17,825,747</u>	<u>17,828,142</u>	<u>17,825,747</u>	<u>17,828,142</u>	<u>17,825,747</u>
Basic loss per share (SGD cents per share)	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.0001)</u>	<u>(0.06)</u>	<u>(0.01)</u>	<u>(0.07)</u>

For 12 Months Ended 30 June 2023

	Continuing operations		Discontinued operations		Total	
	30/06/2023	30/06/2022 (Re-presented)	30/06/2023	30/06/2022 (Re-presented)	30/06/2023	30/06/2022
Net loss attributable to equity holders of the Company (S\$'000)	<u>(5,682)</u>	<u>(3,330)</u>	<u>(311)</u>	<u>(10,615)</u>	<u>(5,993)</u>	<u>(13,945)</u>
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<u>17,826,935</u>	<u>17,825,747</u>	<u>17,826,935</u>	<u>17,825,747</u>	<u>17,826,935</u>	<u>17,825,747</u>
Basic loss per share (SGD cents per share)	<u>(0.03)</u>	<u>(0.02)</u>	<u>(0.002)</u>	<u>(0.06)</u>	<u>(0.03)</u>	<u>(0.08)</u>

As the Group was making losses for the financial years ended 30 June 2023 and 30 June 2022, the dilutive potential shares from the warrants were anti-dilutive and no changes were made to the diluted loss per share.

N9. Net asset value

	Group		Company	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Net asset value per ordinary share (SGD cents per share)	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.3</u>

N10. Property, plant and equipment

In FY23, the Group disposed of the Hotel Assets amounting to S\$14,133,000 (see N16(c)). The Group also acquired a new lease amounting to S\$125,000 (2022: S\$283,000), incurred total depreciation charge (continuing and discontinued operations) of S\$339,000 (2022: S\$1,591,000) and foreign exchange translation difference of S\$2.6 million.

N11. Estimated impairment of non-financial assets

Investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets have been determined based on the higher of fair value less costs to sell or value-in-use calculations. If the carrying amounts exceed the recoverable amounts, an impairment loss is recognised to profit or loss for the differences.

The carrying amount of investments in subsidiary corporations at the reporting date is S\$12,689,000 (2022: S\$26,812,000). The recoverable amount of the investment in subsidiary corporations has been determined based on value-in-use calculations. Cash flow projections used in the value-in-use were based on the financial budgets approved by management. An impairment charge of S\$14,172,000 was recognised during the financial year ended 30 June 2023 which reduced the carrying amount of the investment in the subsidiary corporations in PRC from S\$26,861,000¹ to S\$12,689,000.

N12. Net realisable value of development properties

The carrying amount of the Group's development properties at the balance sheet date is S\$14,516,000 (2022: S\$14,843,000). In determining whether a write-down should be made for the development properties, the Group takes into consideration the principal situations in which net realisable value is likely to be less than the cost in accordance to SFRS(I) 1-2 *Inventories*. A write-down is made if the net realisable value is less than the carrying amount. No allowance was required for the development properties as the Group has assessed that there was no triggering event that the principal situation in which the net realisable value is likely to be less than the carrying amount.

N13. Impairment of other receivables

As at 30 June 2023, the carrying amount of the Group's other receivables before impairment loss is S\$14,508,000 (2022: S\$11,338,000).

The Group measures expected credit loss ("ECL") for other receivables using the general approach. Under the general approach, the loss allowance is measure at an amount equal to 12-month ECL at initial recognition.

At each balance sheet date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The assessment of the correlation between historically observed default rates and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances. The Group's historical credit loss experience may also not be representative of customer's actual default in the future.

¹ The Company invested additional RMB250,000 (equivalent to S\$49,000) during the half year ended 31 December 2022. The cost of investment in subsidiary corporations prior to the impairment charge amounted to S\$26,861,000.

As at 30 June 2023 and 30 June 2022, the Group and the Company performed an assessment of qualitative and quantitative factors which are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, available press information and applying experienced credit judgement) and an assessment of impairment using the 12-month ECL basis on these financial assets. The Group and the Company concluded that no loss allowance is required for other receivables.

N14. Borrowings

	Group		Company	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Current</i>				
Term loans (secured)	1,265	1,689	1,265	1,315
Lease liabilities (unsecured)	64	29	64	19
	<u>1,329</u>	<u>1,718</u>	<u>1,329</u>	<u>1,334</u>
<i>Non-current</i>				
Term loans (secured)	1,297	8,092	1,297	2,479
Lease liabilities (unsecured)	11	26	11	-
	<u>1,308</u>	<u>8,118</u>	<u>1,308</u>	<u>2,479</u>
Total borrowings	<u>2,637</u>	<u>9,836</u>	<u>2,637</u>	<u>3,813</u>

Details of any collateral

- (a) The Group was granted a term loan facility of RMB30.0 million for working capital purposes from a licensed bank in the People's Republic of China (the "PRC" or "China") in December 2020. The term loan bears an interest of 7.5% per annum and is secured against:
- 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
 - a personal guarantee by Dato' 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
25 December 2025	12,000,000

Pursuant to the terms and conditions of the Proposed Disposal, the Group has utilised RMB29.3 million of the Partial Payment to fully repay the term loan and related interest expenses in December 2022, and the pledge over the Hotel Collateral and the personal guarantee by Dato' Choo have been released by the bank.

- (b) The Group was granted a term loan facility of S\$5.0 million for working capital purposes from a licensed bank in Singapore in June 2020. The term loan bears an interest of 2.5% per annum and is secured against a deed of undertaking from Dato' Choo to top up any principal and interest shortfall. The term loan has a tenor of 5 years and was fully drawdown in June 2020. It is repayable in 47 monthly principal and interest instalments of S\$109,571 commencing on 16 July 2021 and the last principal and interest instalment of S\$109,670 falling on 16 June 2025.

N15. Share capital

	The Group and Company			
	30/06/2023		30/06/2022	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
Beginning of financial year	17,825,747	195,738	17,825,747	195,738
Shares issued	<u>2,897</u>	<u>5</u>	<u>-</u>	<u>-</u>
End of financial year	<u>17,828,644</u>	<u>195,743</u>	<u>17,825,747</u>	<u>195,738</u>

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

	Number of issued shares
Balance as at 1 January 2023	17,825,747,028
Issuance of new ordinary shares pursuant to the exercise of warrants	<u>2,897,276</u>
Balance at 30 June 2023	<u>17,828,644,304</u>

The Company did not have any treasury shares or subsidiary holdings as at 30 June 2023 and 30 June 2022.

Warrants

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:

	30/06/2023	30/06/2022
Warrants expired on 30 January 2023 ("W230130")	-	10,008,570,063
Warrants expiring on 26 July 2023 ("W230726")	<u>6,145,158,199</u>	<u>6,145,168,199</u>
	<u>6,145,158,199</u>	<u>16,153,738,262</u>

N16. Discontinued operations and disposal of business segment

As announced on 4 January 2023, the Company's 78.5%-owned direct subsidiary corporation (which became a 100%-owned direct subsidiary corporation as at 30 June 2023), Zhongfang Lianhe Grand Canal Culture Tourism Group Co., Ltd (中房联合大运河文化旅游集团有限公司, "Grand Canal"), and Zhejiang Zhongfang Yashe Hotel Management Co., Ltd (浙江中房雅舍酒店管理有限公司, "Yashe"), a 100%-owned subsidiary corporation of Grand Canal, had on 15 December 2022 entered into an equity and asset acquisition agreement (the "Acquisition Agreement") with Huzhou Hongji Enterprise Management Co., Ltd. (湖州弘基企业管理有限公司, the "Purchaser") pursuant to which Grand Canal will sell 100% of the issued shares in Yashe (the "Sale Shares") and Anatole by Landison Hotel Huzhou (the "Hotel") and related assets (together, the "Hotel Assets") to the Purchaser for an aggregate consideration of RMB80.0 million (the "Consideration") on the terms and conditions of the Acquisition Agreement (the "Proposed Disposal"). The Proposed Disposal was approved by the Shareholders at the extraordinary general meeting held on 6 February 2023. For details of the Proposed Disposal, please refer to the announcement dated 4 January 2023 (the "Announcement") and circular to shareholders dated 20 January 2023 (the "Circular").

Pursuant to the terms of the Acquisition Agreement and as supplemented by the Side Letter (as defined in the Announcement), the completion of the Proposed Disposal and the transfer of the beneficial ownership to the Purchaser will take place when the Consideration is fully paid. As at 30 June 2023,

the Purchaser paid RMB57.0 million of the Consideration. As such, the completion of the Proposed Disposal has not taken place.

Notwithstanding completion of the Proposed Disposal has not taken place, pursuant to the provisions of SFRS(I) 10 *Consolidated Financial Statements*, the Company has lost control over Yashe and the Hotel Assets. Accordingly, the financial statements of Yashe and the Hotel Assets are deconsolidated during the financial year under review.

In compliance with SFRS(I) 5 *Non-current Assets Held for Sales and Discontinued Operations*, the entire results of Yashe and the profit and loss related to the Hotel Assets are presented separately in the statement of comprehensive income for financial year ended 30 June 2023 and the corresponding results of Yashe and the profit and loss related to the Hotel Assets for financial year ended 30 June 2022 are re-presented separately as “Discontinued Operations”.

(a) The results of the discontinued operations are as follows:

	Group		Group	
	6 Months Ended	6 Months Ended	12 Months Ended	12 Months Ended
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	S\$'000	S\$'000	S\$'000	S\$'000
		(Re-presented)		(Re-presented)
Revenue	(10) [^]	543	653	1,206
Expenses	(14)	(12,967)	(1,060)	(14,792)
Loss before income tax from discontinued operations	(24)	(12,424)	(407)	(13,586)
Income tax credit	(1)	8	7	16
Net loss	(25)	(12,416)	(400)	(13,570)

[^] No revenue was reported in 6 months ended 30 June 2023 as the Group has lost control of Yashe and the Hotel Assets in December 2022. The negative revenue was due mainly to the lower average exchange rate used to translate the profit and loss items of Yashe and the Hotel Assets for the financial year ended 30 June 2023 as compared to the 6 months ended 31 December 2022.

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

	Group	
	12 Months Ended	12 Months Ended
	30/06/2023	30/06/2022
	S\$'000	S\$'000
Operating cash outflows	(20)	(796)
Investing cash outflows	-	(4)
Financing cash outflows	(13)	(5)
	(33)	(805)

(c) Effects of the disposal on the cash flows of the Group were:

	Group 30/06/2023 S\$'000
<u>Carrying amounts of assets and liabilities disposed of</u>	
Property, plant and equipment	14,133
Cash and cash equivalents	13
Trade and other receivables	43
Inventories	14
Other current assets	66
	<hr/>
Total assets	14,269
	<hr/>
Trade and other payables	266
Borrowings	29
Deferred liabilities	542
	<hr/>
Total liabilities	837
	<hr/>
Net assets disposed of	13,432
	<hr/> <hr/>

The aggregate cash inflows arising from the disposal of the hospitality business segment were:

	Group 30/06/2023 S\$'000
Net assets disposed of (as above)	13,432
Reclassification of translation reserve	218
Gain on disposal	1,302
	<hr/>
Cash proceeds from disposal	14,952
Less: Outstanding proceeds from disposal	(4,298)
Less: Cash and cash equivalents in subsidiary corporation disposed of	(13)
	<hr/>
Net cash inflows on disposal	10,641
	<hr/> <hr/>

(d) Use of proceeds from the Proposed Disposal

The estimated net proceeds from the Proposed Disposal, after deducting estimated taxes, related professional fees and other associated transaction costs, is approximately RMB70.4 million (S\$13.7 million). The Company intends to utilise 66% of the net proceeds to repay the term loans of the Company and Grand Canal and the remaining 34% towards settlement of existing trade and other creditors and for general working capital purposes.

As at 30 June 2023, the Group received RMB57.0 million (the “Partial Payment”) from the Purchaser and paid RMB7.3 million of taxes in relation to the Proposed Disposal.

As at the date of this announcement, the status in terms of the utilisation of the net proceeds from Partial Payment of RMB49.7 million (approximately S\$9.3 million) is as follows:

Purpose	Net proceeds allocated	Net proceeds from Partial Payment utilised as at the date of this results announcement	Balance unutilised and pending receipt
Repayment of the term loans and related interest expenses of the Company and Grand Canal	RMB46.2 million (S\$8.6 million)	RMB29.3 million (S\$5.5 million)	RMB16.9 million (S\$3.2 million)
Settlement of the existing trade and other creditors and for general working capital purposes	RMB24.2 million (S\$4.5 million)	RMB20.4 million (S\$3.8 million)	RMB3.8 million (S\$0.7 million)
Total	RMB70.4 million (S\$13.1 million)	RMB49.7 million (S\$9.3 million)	RMB20.7 million (S\$3.9 million)

Note: The foreign exchange rate used in the above table is RMB1: S\$0.1869 as at 30 June 2023.

The use of proceeds is consistent with the Company's proposed use of funds as set out in the Circular.

The remaining Consideration of RMB23.0 million (approximately S\$4.3 million) is expected to be received by the end of February 2024.

Pursuant to the terms of the Acquisition Agreement, the Second Payment (as defined in the Circular) is payable within 30 days on the completion of the Proposed Disposal. This refers to the legal completion of the Proposed Disposal (i.e. the date on which the legal title of the Sale Shares and the Hotel Assets was transferred to the Purchaser).

If the Purchaser fails to pay the Second Payment in full within 30 days of the legal completion of the Proposed Disposal, the Purchaser shall pay Grand Canal liquidated damages at an annual rate of 8% for the unpaid amount on a monthly basis until the Second Payment is paid in full. If the Second Payment is still not paid in full within 12 months of the fulfilment of the legal completion of the Proposed Disposal, the Purchaser will return the legal ownership of the Sale Shares and Hotel Assets to Grand Canal, and Grand Canal will refund any Consideration paid by the Purchaser (after deducting the liquidated damages of RMB2.0 million and costs incurred by Grand Canal and Yashe arising from, amongst others, transfer of the hotel management rights from the Consideration).

The legal title to Sale Shares and Hotel Assets was transferred to the Purchaser on 16 January 2023 (i.e. the date of legal completion). As the Purchaser failed to pay the Second Consideration in full by 15 February 2023, a liquidated damages at an annual rate of 8% for the unpaid amount was charged to the Purchaser from 16 February 2023. As at 30 June 2023, Grand Canal had received an aggregate of S\$161,000 liquidated damage from the Purchaser. It is expected that the Purchaser will settle the remaining Consideration by February 2024. Otherwise, the legal ownership of the Sale Shares and Hotel Asset will return to Grand Canal and Grand Canal will refund any Consideration paid by the Purchaser (after deducting liquidated damages and costs incurred) as mentioned above.

N17. Subsequent events

Save as disclosed in this announcement, there are no known subsequent events which have led to the adjustments of this set of interim financial statements.

OTHER INFORMATION PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

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

The condensed consolidated statement of financial position of Asia-Pacific Strategic Investments Limited and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 12-month period then ended and certain explanatory notes have not been audited or reviewed by the auditors.

2. **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.

- 2A. **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.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The latest financial statements for the financial year ended 30 June 2022 do not have any adverse opinion, qualified opinion or disclaimer of opinion.

3. **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.**

In the review of full year performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

- A. **Review of Financial Performance**

6 months ended 30 June 2023 ("2HFY23") vs 6 months ended 30 June 2022 ("2HFY22")

In 2HFY22 and FY22, the Group generated revenue from its hospitality business. As mentioned in N16, the results of Yashe and the profit and loss related to the Hotel Assets are presented separately in the condensed interim consolidated statement of profit and loss and other comprehensive income as "Discontinued Operations" and the corresponding profit and loss in 2HFY22 and FY22 are also represented as "Discontinued Operations" in accordance with the requirements of SFRS(I) 5 *Non-current Assets Held For Sale and Discontinued Operations*.

Other gains/(losses), net

The net other gains reported in 2HFY23 was attributable mainly to a gain arising from the Proposed Disposal of S\$1.3 million, interest income of S\$161,000 (being liquidated damages received from the Purchaser as elaborated in N16 above) and rental income of S\$95,000. The other gains was partly offset by a foreign exchange loss of S\$841,000 (2HFY22: S\$528,000) arising from the translation of loans and

advances from the Company to the subsidiary corporations which are denominated in Renminbi into Singapore Dollars.

Administrative expenses

The Group administrative expenses increased by S\$892,000 to S\$3.0 million in 2HFY23. The increase was due mainly to taxes paid in relation to the Proposed Disposal of S\$1.4 million. The increase is partly offset by the lower professional fees incurred in 2HFY23 of S\$170,000 (2HFY22: S\$680,000) and the reversal of over accrual of professional fees in relation to the proposed acquisition of Catapult Ventures Pte. Ltd. (the “Proposed Acquisition”), which was terminated on 30 June 2023, amounting to S\$232,000.

Finance expenses

The lower finance expenses was mainly due to the full repayment of the term loan (see N14) in December 2022.

Loss from discontinued operations

The lower loss in 2HFY23 was mainly due to the Group ceased to consolidate the results of the Yashe and Hotel Assets from December 2022. The higher loss from discontinued operations in 2HFY22 was mainly resulted from the one-off impairment loss on property, plant and equipment amounting to S\$11.6 million.

Net loss

The Group reported a net loss of S\$2.3 million in 2HFY23 as compared with the net loss of S\$15.3 million posted in 2HFY22. The lower net loss was mainly due to the lack of one-off impairment loss of property, plant and equipment as mentioned above.

Financial year ended 30 June 2023 (“FY23”) vs financial year ended 30 June 2022 (“FY22”)

Other gains/(losses), net

The Group reported other losses of S\$1.1 million in FY23 as compared to S\$82,000 in FY22. This was mainly attributable to a foreign exchange loss of S\$2.7 million (FY22: S\$83,000) which was partly offset by a gain arising from the Proposed Disposal of S\$1.3 million and an interest income of S\$162,000.

Administrative expenses

Administrative expenses in FY23 was higher than FY22 by S\$1.4 million to reach S\$4.8 million. The increase was mainly due to taxes paid in relation to the Proposed Disposal of S\$1.4 million and professional fees incurred in relation to the Proposed Acquisition of S\$343,000 (FY22: S\$nil). The increase was partly offset by the lower other professional fees incurred in FY23 amounting to S\$227,000 (FY22: S\$787,000).

Finance expenses

The lower finance expenses in FY23 was mainly due to the full repayment of the RMB28.8 million term loan in December 2022.

Loss from discontinued operations

The loss of S\$400,000 in FY23 was lower than the \$13.6 million in FY22 due to the lack of one-off impairment loss on property, plant and equipment of S\$11.6 million.

Net loss

In FY23, the Group reported a net loss of S\$6.7 million as compared to S\$17.7 million posted in FY22. The lower net loss was mainly due to lower loss from discontinued operations, a gain arising from the Proposed Disposal, offset by higher foreign exchange loss and higher taxes in relation to the Proposed Disposal as mentioned above.

B. Review of Financial Position

Cash and cash equivalents

Please refer to the cash flow analysis in Review of Cash Flow (section 3C) below.

Trade and other receivables – current

The increase in trade and other receivables was attributable mainly to the outstanding Consideration of RMB23.0 million (approximately S\$4.3 million) from the Proposed Disposal.

Other current assets

Trade and other receivables – non-current

The lower other current assets and non-current trade and other receivables was mainly due to lower closing rate used to translate the balance sheet items of the subsidiary corporations in China into the presentation currency of the financial statements, resulted from the weakening of Renminbi against Singapore Dollars.

Trade and other payables

The increase in trade and other payables was mainly due to an interest-free advance from a director amounting to S\$2.8 million and higher accrued expenses. Subsequent to 30 June 2023, the Group paid approximately S\$1.4 million of trade and other payables outstanding as at 30 June 2023.

Borrowings

The decrease in the Group's borrowings was due mainly to the repayment of the term loans and lease liabilities amounting to S\$6.9 million and S\$69,000 respectively during FY23.

Inventories

Property, plant and equipment

Deferred income tax liabilities

The decrease of inventories, property, plant and equipment and deferred income tax liabilities was due mainly to the deconsolidation of Yashe and the Hotel Assets as mentioned in N16(c) above.

C. Review of Cash Flow

In FY23, the Group recorded an increase of S\$978,000 in cash and cash equivalents. The increase was due mainly to net cash provided by investing activities of S\$10.6 million, from the proceeds of the Proposed Disposal. The increase was partly offset by net cash used in financing activities of S\$7.3 million, mainly for the repayment of bank borrowings and lease liabilities, and the net cash used in operating activities of S\$2.3 million. The net cash used in operating activities was due mainly to the cash outflows from operations of S\$4.1 million offset by positive changes in working capital of S\$1.6 million.

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

Not applicable.

5. 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.

- (i) The real estate crisis of China is deepening, with a few of the major real estate developers reported to have defaulted in the payment of its borrowings in recent weeks. The Group will continue to re-strategise the real estate development business under Huzhou Project as well as seek strategic partners in the Huzhou Project; and
- (i) The Group continues its assessment of diversifying into the agriculture business and will seek the approval of the shareholders at an extraordinary general meeting to be convened should the Company decide to proceed with that.

The Company, on an on-going basis, explores potential business ventures and/or other corporate actions, with the aim of enhancing shareholders' value.

The Company continues to actively explore various strategic options and fund raising opportunities.

6. 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 year 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.

7. 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 financial year ended 30 June 2023 because of losses incurred during the financial year ended 30 June 2023 and the financial position of the Company.

8. **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 2023. There were no IPTs of S\$100,000 and above being entered into by the Group during FY23.

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

Not applicable.

10. **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).

11. **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. There were no annual dividend declared or recommended in the financial years ended 30 June 2023 and 30 June 2022.

12. **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.

13. Disclosure on Incorporation of Entities, Acquisition and Realisation of Shares pursuant to Catalyst Rule 706A

As announced on 23 March 2023, the Company and 中房联合置业集团有限公司 (“the Vendor”) entered into a mediation and concluded a settlement agreement on 9 March 2023 (the “Settlement Agreement”). Pursuant to the terms of the Settlement Agreement, the remaining equity interest of Grand Canal of 21.5% held by the Vendor has been transferred to the Company for nil consideration. Consequently, Grand Canal became a wholly-owned subsidiary of the Company. Please refer to the Company announcement dated 23 March 2023 for details of the transaction.

Save as disclosed in this announcement, there were no other incorporation of new entities, acquisitions and realisation of shares during the 2HFY23 and as at the date of this announcement.

BY ORDER OF THE BOARD

Lee Keng Mun
Chief Operating Officer
28 August 2023

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