

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

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

	6 Months Ended		Increase/ (decrease) %	12 Months Ended		Increase/ (decrease) %
	30/06/2024 S\$'000	30/06/2023 S\$'000		30/06/2024 S\$'000	30/06/2023 S\$'000 Audited	
Continuing operations						
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Other gains/(losses), net						
- Interest income						
• Other receivables	129	160	(19.4)	301	160	88.1
• Bank deposits	1	1	-	2	2	-
- Others	721	557	29.4	1,837	(1,273)	n.m.
Expenses						
- Administrative	(1,751)	(2,963)	(40.9)	(3,000)	(4,809)	(37.6)
- Finance	(28)	(66)	(57.6)	(59)	(404)	(85.4)
Loss before income tax	(928)	(2,311)	(59.8)	(919)	(6,324)	(85.5)
Income tax expense	(27)	-	n.m.	(27)	-	n.m.
Loss from continuing operations	(955)	(2,311)	(58.7)	(946)	(6,324)	(85)
Discontinued operations						
Loss from discontinued operations	-	(25)	n.m.	-	(400)	n.m.
Total loss	(955)	(2,336)	(59.1)	(946)	(6,724)	(85.9)
Other comprehensive income/(loss):						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation gain/(loss) arising from consolidation						
• (Loss)/Gain	(5)	119	n.m.	(1)	(1,036)	(99.9)
• Reclassification	-	-	-	-	218	n.m.
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
- Currency translation gain/(loss) arising from consolidation	20	(76)	n.m.	-*	(413)	n.m.
Other comprehensive income/(loss), net of tax	15	43	(65.1)	(1)	(1,231)	(99.9)
Total comprehensive loss	(940)	(2,293)	(59)	(947)	(7,955)	(88.1)

n.m. = Not meaningful.

* Less than S\$1,000

	6 Months Ended			12 Months Ended		
	30/06/2024	30/06/2023	Increase/ (decrease)	30/06/2024	30/06/2023	Increase/ (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss attributable to:						
Equity holders of the Company	(895)	(2,008)	(55.4)	(805)	(5,993)	(86.6)
Non-controlling interests	<u>(60)</u>	<u>(328)</u>	(81.7)	<u>(141)</u>	<u>(731)</u>	(80.7)
	<u>(955)</u>	<u>(2,336)</u>	(59.1)	<u>(946)</u>	<u>(6,724)</u>	(85.9)
Loss attributable to equity holders of the Company relates to:						
Loss from continuing operations	(895)	(1,991)	(55)	(805)	(5,682)	(85.8)
Loss from discontinued operations	<u>-</u>	<u>(17)</u>	n.m.	<u>-</u>	<u>(311)</u>	n.m.
	<u>(895)</u>	<u>(2,008)</u>	(55.4)	<u>(805)</u>	<u>(5,993)</u>	(86.6)
Total comprehensive loss attributable to:						
Equity holders of the Company	(900)	(1,889)	(52.4)	(806)	(6,811)	(88.2)
Non-controlling interests	<u>(40)</u>	<u>(404)</u>	(90.1)	<u>(141)</u>	<u>(1,144)</u>	(87.7)
	<u>(940)</u>	<u>(2,293)</u>	(59)	<u>(947)</u>	<u>(7,955)</u>	(88.1)
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	(0.005)	(0.01)		(0.005)	(0.03)	
From discontinued operations	<u>-</u>	<u>(0.0001)</u>		<u>-</u>	<u>(0.002)</u>	

B. Condensed interim statements of financial position

	Group		Company	
	30/06/2024 S\$'000	30/06/2023 S\$'000 Audited	30/06/2024 S\$'000	30/06/2023 S\$'000 Audited
ASSETS				
Current assets				
Cash and cash equivalents	1,205	1,819	19	24
Trade and other receivables	681	5,545	22,920	24,309
Other current assets	1,777	1,497	118	119
Financial assets, at FVOCI	-*	-*	-*	-*
	<u>3,663</u>	<u>8,861</u>	<u>23,057</u>	<u>24,452</u>
Non-current assets				
Trade and other receivables	8,963	8,963	-	-
Development properties	15,074	14,516	-	-
Investment in subsidiary corporations	-	-	12,689	12,689
Property, plant and equipment	709	121	13	81
	<u>24,746</u>	<u>23,600</u>	<u>12,702</u>	<u>12,770</u>
Total assets	<u>28,409</u>	<u>32,461</u>	<u>35,759</u>	<u>37,222</u>
LIABILITIES				
Current liabilities				
Trade and other payables	8,269	10,001	5,193	4,497
Borrowings	1,314	2,626	1,314	2,626
Provision for reinstatement costs	-	50	-	50
	<u>9,583</u>	<u>12,677</u>	<u>6,507</u>	<u>7,173</u>
Non-current liabilities				
Borrowings	-	11	-	11
Total liabilities	<u>9,583</u>	<u>12,688</u>	<u>6,507</u>	<u>7,184</u>
Net assets	<u>18,826</u>	<u>19,773</u>	<u>29,252</u>	<u>30,038</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	195,743	195,743	195,743	195,743
Foreign currency translation reserve	(17,013)	(17,012)	(15,939)	(15,939)
Statutory reserve	107	-	-	-
Fair value reserve	(6,000)	(6,000)	(6,000)	(6,000)
Accumulated losses	<u>(157,376)</u>	<u>(156,464)</u>	<u>(144,552)</u>	<u>(143,766)</u>
	15,461	16,267	29,252	30,038
Non-controlling interests	<u>3,365</u>	<u>3,506</u>	-	-
Total equity	<u>18,826</u>	<u>19,773</u>	<u>29,252</u>	<u>30,038</u>

* Less than S\$1,000

C. Condensed interim statements of changes in equity

	← Attributable to equity holders of the Company →					Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Foreign currency translation reserve S\$'000	Statutory reserve S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000			
Group								
2024								
Balance as at 1 July 2023	195,743	(17,012)	-	(6,000)	(156,464)	16,267	3,506	19,773
Total comprehensive loss for the financial year	-	(1)	-	-	(805)	(806)	(141)	(947)
Appropriation to statutory reserve	-	-	107	-	(107)	-	-	-
Issuance of new ordinary shares pursuant to exercise of warrants	-*	-	-	-	-	-*	-	-*
Balance as at 30 June 2024	<u>195,743</u>	<u>(17,013)</u>	<u>107</u>	<u>(6,000)</u>	<u>(157,376)</u>	<u>15,461</u>	<u>3,365</u>	<u>18,826</u>
2023 (Audited)								
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>-</u>	<u>(6,000)</u>	<u>(156,464)</u>	<u>16,267</u>	<u>3,506</u>	<u>19,773</u>

* Less than S\$1,000

Company	Share capital	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2024					
Balance as at 1 July 2023	195,743	(15,939)	(6,000)	(143,766)	30,038
Total comprehensive loss for the financial year	-	-	-	(786)	(786)
Issuance of new ordinary shares pursuant to exercise of warrants	-*	-	-	-	-
Balance as at 30 June 2024	<u>195,743</u>	<u>(15,939)</u>	<u>(6,000)</u>	<u>(144,552)</u>	<u>29,252</u>
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>

* Less than S\$1,000

D. Condensed interim consolidated statement of cash flows

	12 Months Ended	
	30/06/2024 S\$'000	30/06/2023 S\$'000 Audited
Cash flows from operating activities		
Net loss	(946)	(6,724)
Adjustments for:		
- Income tax expense/(credit)	27	(7)
- Interest expense on bank borrowings	55	296
- Interest expense on lease liabilities	4	9
- Interest expense on other payables	-	101
- Interest income	(303)	(162)
- Depreciation of property, plant and equipment	71	339
- Property, plant and equipment written-off	2	-
- Gain on disposal of hospitality segment	-	(1,302)
- Gain on lease modification	-	(5)
- Unrealised currency transaction differences	2	3,351
	(1,088)	(4,104)
Changes in working capital:		
- Development properties	(555)	(1,171)
- Trade and other receivables	558	(222)
- Inventories	-	(6)
- Other current assets	(280)	(44)
- Trade and other payables	(1,730)	3,042
- Provision for reinstatement costs	(50)	-
	(3,145)	(2,505)
Cash used in operations	(3,145)	(2,505)
- Interest received	2	2
- Income tax paid	(27)	-
	(3,170)	(2,503)
Net cash used in operating activities		
Cash flows from investing activities		
- Additions to property, plant and equipment	(662)	-
- Proceeds from disposal of hospitality segment	4,299	-
- Interest received	301	160
- Cash flow from disposal of hospitality segment	-	10,641
	3,938	10,801
Net cash provided by investing activities		
Cash flows from financing activities		
- Proceeds from issuance of new shares pursuant to exercise of warrants	-*	5
- Repayment of bank borrowings	(1,259)	(6,850)
- Interest paid for bank borrowings	(55)	(296)
- Principal repayment of lease liabilities	(64)	(69)
- Interest paid for lease liabilities	(4)	(9)
- Interest paid on other payables	-	(101)
	(1,382)	(7,320)
Net cash used in financing activities		

* Less than S\$1,000

	12 Months Ended	
	30/06/2024	30/06/2023
	S\$'000	S\$'000 Audited
Net (decrease)/increase in cash and cash equivalents	(614)	978
Cash and cash equivalents		
Beginning of financial year	1,819	961
Effects of currency translation on cash and cash equivalents	-*	(120)
End of financial year	<u>1,205</u>	<u>1,819</u>

* Less than S\$1,000

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 2024 comprise the Company and its subsidiary corporations (collectively, the “Group”).

The registered office is at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896. The principal place of operation is at Industry Area, Hefu Town, Huzhou City, Zhejiang Province (Yang Dong Mining Area), 313017 The People’s Republic of China (the “PRC”).

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary corporations are real estate development.

N2. Basis of preparation

The condensed interim financial statements for the second half and full year ended 30 June 2024 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 2023.

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 2023.

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

N2.3 Going concern

The Group incurred a net loss of S\$946,000 for the full year ended 30 June 2024 (2023: S\$6,724,000) and is in a net current liabilities position of S\$5,920,000 as at 30 June 2024 (2023: S\$3,816,000).

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 2024 remains appropriate after considering the following:

- (i) Included in trade and other payables as at 30 June 2024 are (a) advance from a director amounting to S\$4.2 million which is repayable when the Company has the ability to pay (see N2.3(ii) below); and (b) accrued construction cost of S\$1.2 million which the final contract sum is not finalised. The Board of Directors expected that the payment of this construction cost will be delayed beyond 12 months from 30 June 2024.
- (ii) On 26 August 2024, 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\$4 million in order to enable the Group to continue its operations as a going concern for 18 months from 26 August 2024 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 26 August 2024 until the Company has the ability to make payments.
- (iii) On 26 June 2024, the Company entered into a subscription agreement with IFH Technology Limited (the “Subscriber”) pursuant to which the Subscriber will subscribe for, and the Company will allot and issue to the Subscriber, 3,143,773,000 new ordinary shares (the “Subscription Shares”) in the capital of the Company at an issue price of S\$0.002 for each Subscription Share, amounting to an aggregate consideration of S\$6,287,546 (the “Proposed Subscription”).

As announced on 23 August 2024, the long-stop date of the Proposed Subscription has been extended to 9 September 2024.

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 businesses are not affected significantly by seasonal or cyclical factors during the financial period.

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 two reportable operating segments: investment and real estate development.

N4.1 Reportable segments

For 6 Months Ended 30 June 2024

	Singapore	PRC	
	Investment	Real estate	
	S\$'000	development	Total
		S\$'000	S\$'000
Group			
Revenue from external parties	-	-	-
Gross profit	-	-	-
Other gains/(losses), net			
- Interest income	-	130	130
- Others	126	595	721
Administrative expenses	(1,172)	(579)	(1,751)
Finance expenses	(28)	-	(28)
(Loss)/Gain before income tax	(1,074)	146	(928)
Income tax expense	-	(27)	(27)
Net (loss)/gain	(1,074)	119	(955)
Depreciation	32	3	35

For 6 Months Ended 30 June 2023

	Singapore	PRC	
	Investment	Real estate	
	S\$'000	development	Total
		S\$'000	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 expense	-	-	-
Net loss	(1,939)	(372)	(2,311)
Depreciation	32	10	42

For 12 Months Ended 30 June 2024

	Singapore	PRC	
	Investment	Real estate	Total
	S\$'000	development	S\$'000
	S\$'000	S\$'000	S\$'000
Group			
Revenue from external parties	-	-	-
Gross profit	-	-	-
Other gains/(losses), net			
- Interest income	-	303	303
- Others	(20)	1,857	1,837
Administrative expenses	(2,027)	(973)	(3,000)
Finance expenses	(59)	-	(59)
(Loss)/Gain before income tax	(2,106)	1,187	(919)
Income tax expense	-	(27)	(27)
Net (loss)/gain	(2,106)	1,160	(946)
Depreciation	65	6	71
Segment assets	151	28,258	28,409
Segment assets include			
Additions to:			
- Property, plant and equipment	-	662	662
Segment liabilities	6,511	3,072	9,583

For 12 Months Ended 30 June 2023

	Singapore	PRC	
	Investment	Real estate	Total
	S\$'000	development	S\$'000
	S\$'000	S\$'000	S\$'000
Group			
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 expense	-	-	-
Net loss	(5,384)	(940)	(6,324)
Depreciation	68	26	94
Segment assets	225	32,236	32,461
Segment assets include			
Additions to:			
- Property, plant and equipment	125	-	125
Segment liabilities	7,188	5,500	12,688

N4.2 A breakdown of sales

	Latest financial year S\$'000	Previous financial year S\$'000	Increase/ (decrease) %
(a) Sales reported for first half-year	-	-	-
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half-year	9	(4,388)	n.m.
(c) Sales reported for second half-year	-	-	-
(d) Operating loss after tax before deducting non-controlling interests reported for second half-year	(955)	(2,336)	(59.1)

n.m. = Not meaningful.

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 2024 and 30 June 2023:

	Group		Company	
	30/6/2024 S\$'000	30/06/2023 S\$'000	30/6/2024 S\$'000	30/06/2023 S\$'000
Financial assets				
Financial assets, at FVOCI	-*	-*	-*	-*
Financial assets at amortised cost	<u>10,703</u>	<u>16,166</u>	<u>23,045</u>	<u>24,424</u>
	<u>10,703</u>	<u>16,166</u>	<u>23,045</u>	<u>24,424</u>
Financial liabilities				
Financial liabilities at amortised cost	<u>9,491</u>	<u>12,177</u>	<u>6,507</u>	<u>7,134</u>

* Less than S\$1,000

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

	6 Months Ended		12 Months Ended	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense:				
- Lease liabilities	(2)	(4)	(4)	(7)
- Bank borrowings	(26)	(38)	(55)	(296)
- Other payables	-	(23)	-	(101)
Rental income	452	95	748	95
Currency exchange gain/(loss) - net	129	(841)	(19)	(2,717)
Depreciation of property, plant and equipment	(35)	(42)	(71)	(94)
Gain on disposal of hospitality segment	-	1,302	-	1,302
Government grant	151	-	1,110	3

Included in government grant is an amount of RMB5,936,000 (equivalent to S\$1,108,000) received from District Government of Nanxun District, Huzhou City. This government grant is provided on the condition that the Group will cultivate grains on the Group's designated agriculture land in Huzhou. Please refer to section 5 under Other Information pursuant to Appendix 7C of the Catalist Rules for further details.

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	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	S\$'000	S\$'000	S\$'000	S\$'000
Tax expense attributable to loss is made up of:				
Profit for the financial year:				
- Current income tax - Foreign	<u>27</u>	<u>-</u>	<u>27</u>	<u>-</u>

N8. Loss per share**For 6 Months Ended 30 June 2024**

	Continuing operations		Discontinued operations		Total	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023	30/06/2024	30/06/2023
Net loss attributable to equity holders of the Company (S\$'000)	<u>(895)</u>	<u>(1,991)</u>	<u>-</u>	<u>(17)</u>	<u>(895)</u>	<u>(2,008)</u>
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<u>17,828,696</u>	<u>17,828,142</u>	<u>17,828,696</u>	<u>17,828,142</u>	<u>17,828,696</u>	<u>17,828,142</u>
Basic loss per share (SGD cents per share)	<u>(0.005)</u>	<u>(0.01)</u>	<u>-</u>	<u>(0.0001)</u>	<u>(0.005)</u>	<u>(0.01)</u>

For 12 Months Ended 30 June 2024

	Continuing operations		Discontinued operations		Total	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023	30/06/2024	30/06/2023
Net loss attributable to equity holders of the Company (S\$'000)	<u>(805)</u>	<u>(5,682)</u>	<u>-</u>	<u>(311)</u>	<u>(805)</u>	<u>(5,993)</u>
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<u>17,828,693</u>	<u>17,826,935</u>	<u>17,828,693</u>	<u>17,826,935</u>	<u>17,828,693</u>	<u>17,826,935</u>
Basic loss per share (SGD cents per share)	<u>(0.005)</u>	<u>(0.03)</u>	<u>-</u>	<u>(0.002)</u>	<u>(0.005)</u>	<u>(0.03)</u>

The Group does not have any dilutive potential shares as at 30 June 2024.

As the Group was making losses for the financial year ended 30 June 2023, 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	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
Net asset value per ordinary share (SGD cents per share)	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>

N10. 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 (2023: S\$12,689,000). The recoverable amount of the investment in subsidiary corporations has been determined based on the fair values of underlying assets and liabilities of the subsidiary corporations. As at 30 June 2024, no additional impairment was provided as the recoverable amount which was determined by management based on fair values of underlying assets and liabilities of the subsidiary corporations was not lower than its carrying amount.

N11. Net realisable value of development properties

The carrying amount of the Group's development properties at the balance sheet date is S\$15,074,000 (2023: S\$14,516,000). 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.

N12. Impairment of other receivables

As at 30 June 2024, the carrying amount of the Group's other receivables before impairment loss is S\$9,644,000 (2023: S\$14,508,000).

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.

As at 30 June 2024 and 30 June 2023, 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.

N13. Borrowings

	Group and Company	
	30/06/2024	30/06/2023
	S\$'000	S\$'000
<i>Current</i>		
Term loans (secured)	1,303	2,562
Lease liabilities (unsecured)	11	64
	<u>1,314</u>	<u>2,626</u>
<i>Non-current</i>		
Lease liabilities (unsecured)	-	11
	<u>-</u>	<u>11</u>
Total borrowings	<u>1,314</u>	<u>2,637</u>

Details of any collateral

The Company 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 drawn down 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.

The Company's term loan agreement is subjected to certain terms and conditions, where the Company is required to maintain a specific balance in an operating account with the licensed bank in Singapore. Pursuant to the Proposed Subscription, the Company intends to utilise part of the proceeds from the Proposed Subscription to fully pre-pay the term loan, management has proactively worked with the banker to create a contingency resolution with regard to this matter.

N14. Share capital

	Group and Company			
	30/06/2024		30/06/2023	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
Beginning of financial year	17,828,644	195,743	17,825,747	195,738
Shares issued	<u>52</u>	<u>-*</u>	<u>2,897</u>	<u>5</u>
End of financial year	<u>17,828,696</u>	<u>195,743</u>	<u>17,828,644</u>	<u>195,743</u>

* Less than S\$1,000

There were no changes in the share capital of the Company since 31 December 2023. The Company did not have any treasury shares or subsidiary holdings as at 30 June 2024 and 30 June 2023.

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:

	30/06/2024	30/06/2023
Warrants expired on 26 July 2023 ("W230726")	-	6,145,158,199

N14. Statutory reserve

Statutory reserve represents the amount transferred from profit after tax of the subsidiary corporation incorporated in the People's Republic of China ("PRC") in accordance with the PRC requirement. The statutory reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount towards setting off any accumulated losses or increasing capital.

N15. Discontinued operations and disposal of business segment

On 15 December 2022, the Company's direct subsidiary corporation, 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 subsidiary corporation of Grand Canal 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 would 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 RMB80,000,000 (equivalent to S\$14,952,000) (the "Consideration") on the terms and conditions of the Acquisition Agreement (the "Disposal of Hospitality Segment").

The Disposal of Hospitality Segment was approved by the shareholders of the Company at the extraordinary general meeting held on 6 February 2023. The Group has lost control over Yashe and the Hotel Assets thereafter.

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

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

	Group	
	6 Months Ended 30/06/2023 S\$'000	12 Months Ended 30/06/2023 S\$'000
Revenue	(10) [^]	653
Expenses	(14)	(1,060)
Loss before income tax from discontinued operations	(24)	(407)
Income tax credit	(1)	7
Net loss	(25)	(400)

[^] 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 6 Months Ended 30/06/2023 S\$'000
Operating cash outflows	(20)
Financing cash outflows	(13)
	<u>(33)</u>

(c) Effects of the Disposal of Hospitality Segment 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
	<u>14,269</u>
Total assets	14,269
Trade and other payables	266
Borrowings	29
Deferred liabilities	542
	<u>837</u>
Total liabilities	837
Net assets disposed of	<u>13,432</u>

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
	<u>14,952</u>
Cash proceeds from disposal	14,952
Less: Outstanding proceeds from disposal	(4,298)
Less: Cash and cash equivalents in subsidiary corporation disposed of	(13)
	<u>10,641</u>
Net cash inflows on disposal	<u>10,641</u>

(d) Use of proceeds from the Disposal of Hospitality Segment

The estimated net proceeds from the Disposal of Hospitality Segment, 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.

In financial year ended 30 June 2023, the Group received partial payment of the gross proceeds of RMB57.0 million from the Purchaser and the remaining Consideration of RMB23 million was received during the financial year ended 30 June 2024. The Group has fully utilised the Consideration and the details are as follows:

Purpose	Net proceeds allocated	Net proceeds utilised	
Repayment of the term loans and related interest expenses of the Company and Grand Canal	RMB46.2 million (S\$8.6 million)	RMB31.1 million (S\$5.8 million)	Note 2
Settlement of the existing trade and other creditors and for general working capital purposes	RMB24.2 million (S\$4.5 million)	RMB40.9 million (S\$7.6 million)	
Total	RMB70.4 million (S\$13.1 million)	RMB72 million (S\$13.4 million)	Note 3

Note 1: The foreign exchange rate used in the above table is RMB1: S\$0.1869 as at 30 June 2024.

Note 2: The Group utilised RMB29.4 million to fully repaid the Grand Canal's term loan and related interest. However, due to longer than expected time to receive the full Consideration, the Group only utilize RMB1.7 million to pay the Company's term loan instalments and reallocate RMB15.1 million for the settlement of the existing trade and other creditors and for general working capital requirements.

Note 3: The total net proceeds were RMB72 million instead of RMB70.4 million as the actual taxes, professional fees and other associated transaction costs was RMB8 million and was lower than the initial estimated incidental expenses of RMB9.6 million. The excess amount of fund was utilised for the settlement of the existing trade and other creditors and for general working capital requirements

N16. 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 2024 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 2023 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 2024 ("2HFY24") vs 6 months ended 30 June 2023 ("2HFY23")

Revenue

There is no revenue reported from continuing operations in 2HFY24 and 2HFY23 as the Group disposed of its hospitality segment in financial year ended 30 June 2023 and has not commenced its real estate development activities due to the sluggish property market in China.

Other gains/(losses), net

The net other gains reported in 2HFY24 was attributable mainly to an interest income of S\$130,000, mainly comprising liquidated damages received from the Purchaser pursuant to the Disposal of the Hospitality Segment (2HFY23: S\$161,000), rental income of S\$452,000 from the sub-lease of fish ponds and land on Huzhou Project (2HFY23: S\$95,000), government grant of S\$151,000 (2HFY23: S\$nil) and a foreign exchange gain of S\$129,000 (2HFY23: a foreign exchange loss of S\$841,000)

arising from the translation of loans and advances from the Company to the subsidiary corporations which are denominated in Renminbi into Singapore Dollars. The higher other gains in 2HFY24 was partly offset by the absence of one-off gain during 2HFY24 as compared to a gain from Disposal of Hospitality Segment amounting to S\$1.3 million in 2HFY23.

Administrative expenses

The Group administrative expenses decreased by S\$1.2 million to S\$1.7 million in 2HFY24. The decrease was due mainly to no taxes was paid in relation to the Disposal of Hospitality Segment in 2HFY24 whereas an amount of S\$1.4 million of these taxes was reported in 2HFY23.

Finance expenses

The lower finance expenses was a result of the lower amount of term loan during the period under review as well as there was no interest expense on other payables in 2HFY24.

Loss from discontinued operations

The Group lost control of its hospitality segment and ceased to consolidate the results, assets and liabilities of its hospitality business from February 2023.

Net loss

As a result of the above, the Group reported a net loss of S\$955,000 in 2HFY24 as compared with the net loss of S\$2.3 million posted in 2HFY23.

Financial year ended 30 June 2024 (“FY24”) vs financial year ended 30 June 2023 (“FY23”)

Other gains/(losses), net

The Group reported other gains of S\$2.1 million in FY24 as compared to other losses of S\$1.1 million in FY23. This was mainly attributable to a lower foreign exchange loss of S\$19,000 (FY23: S\$2.7 million), a higher rental income of S\$748,000 (FY23: S\$95,000) from the sub-lease of fish ponds and land on Huzhou Project and a higher government grants of S\$1.1 million (FY23: S\$3,000). The higher other gain was partly offset by the absence of one-off gain during FY24 as compared to a gain from Disposal of Hospitality Segment amounting to S\$1.3 million in FY23.

Administrative expenses

Administrative expenses in FY24 was lower than FY23 by S\$1.8 million at S\$3 million. The decrease was mainly due to there was no taxes paid in relation to the Disposal of Hospitality Segment (FY23: S\$1.4 million) and a net reversal of S\$159,000 professional fees incurred in relation to proposed acquisition of Catapult Venture Pte Ltd (the “Proposed CVPL Acquisition”). The Proposed CVPL Acquisition was terminated as announced on 30 June 2023.

Finance expenses

The lower finance expenses in FY24 was mainly due to the full repayment of the RMB28.8 million term loan in December 2022, resulting in no interest expense incurred for the term loan in FY24.

Loss from discontinued operations

The Group lost control of its hospitality segment and ceased to consolidate the results, assets and liabilities of its hospitality business from February 2023.

Net loss

As a result of the above, the Group reported a net loss of S\$946,000 in FY24 as compared with the net loss of S\$6.7 million posted in FY23.

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 decrease in trade and other receivables was attributable mainly to the received of the outstanding Consideration of RMB23.0 million (approximately S\$4.3 million) from the Disposal of Hospitality Segment and the release of escrow deposits for the settlement of amount due to contractors amounting to S\$820,000.

Property, plant and equipment

The increase in property, plant and equipment were due mainly to the construction in progress for a site office and facilities in relation to the agriculture activities in Huzhou, China.

Trade and other payables

The decrease in trade and other payables was mainly due to settlement of amount due to contractors, 2023 lease rental payable and sundry payables of S\$1.1 million, S\$1.2 million and S\$669,000 respectively. The decrease was partly offset by additional interest-free advance from a director amounting to S\$1.4 million.

Borrowings

The decrease in the Group's borrowings was due mainly to the repayment of the term loans and lease liabilities amounting to S\$1.3 million during FY24

C. Review of Cash Flow

In FY24, the Group recorded a decrease of S\$614,000 in cash and cash equivalents. The decrease was due mainly to:

- (i) net cash used in operating activities of S\$3.2 million. The net cash used in operating activities was resulted from operating loss before working capital changes of S\$1.1 million and negative change in working capital of S\$2.1 million; and
- (ii) net cash used in financing activities of S\$1.4 million, mainly for the repayment of bank borrowings and lease liabilities.

The decrease is partly offset by an increase in net cash inflow from investing activities of S\$3.9 million. The net cash provided by investing activities was resulted from the receipt of outstanding Consideration from the Disposal of Hospitality Segment of S\$4.3 million and penalty interest received from the Purchaser of S\$301,000. The cash inflow is partly offset by the additions in property, plant and equipment of S\$662,000.

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.**

Huzhou Project

During FY24, the Group commences the agriculture activities on the designated land on Huzhou, China (“Huzhou Project”). With the government grant received from the District Government of Nanxun District Huzhou City, the Group begin the sowing of grains in June 2024. Revenue is expected to be generated in November 2024.

Due to the sluggish property market, the Group will continue to re-strategise the real estate development business on Huzhou Project as well as to seek strategic partners in the Huzhou Project. Nevertheless, the Group will continue to explore opportunities to generate income from the land on Huzhou Project. Currently, the Group sub-leased the fish ponds and land on Huzhou Project to generate rental income. The Group will generate income from agriculture activities in financial year ending 30 June 2025 and will continue to receive grant from the government until 31 December 2028 for so long as the Group carries out the agriculture activities on the designated land.

Proposed Acquisition of Mobii Genius Co., Ltd

As announced on 8 April 2024, the Company had on 2 April 2024 entered into a conditional sale and purchase agreement (the “SPA”) with Mobii Green Energy Co., Ltd (莫比绿电股份有限公司) (the “Vendor”) in relation to the proposed acquisition by the Company of 100% of the issued and paid-up share capital of Mobii Genius Co., Ltd (莫比机器人股份有限公司) (the “Target Company”) from the Vendor on the terms and conditions of the SPA (the “Proposed Acquisition”). The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover of the Company.

The Target Company is a special purpose vehicle set up to conduct the business of providing efficient and low carbon emissions data processing and storage services, including the prospective development of green energy data centre businesses in Southeast Asia.

The Group is of the view that the entering into the data centres investment, construction and development business will allow the Group to expand its revenue stream and presents an opportunity for the Company to acquire a business with potential for growth. The Group also has established business connections and know-how in Southeast Asia that will complement the business of the Target Company and its future development of data centres in Southeast Asia.

The Vendor is currently undertaking a review and restructuring exercise of its businesses, including the green energy data centre solutions. The Company will make the necessary update announcement(s) in relation to the Proposed Acquisition.

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

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 2024 because of losses incurred during the financial year ended 30 June 2024 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 2024. There were no IPTs of S\$100,000 and above being entered into by the Group during FY24.

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 2024 and 30 June 2023.

- 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.**

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**

Not applicable.

BY ORDER OF THE BOARD

Lee Keng Mun
Chief Operating Officer
26 August 2024

This document has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange 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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