

**ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED**  
Company Registration No. 200609901H  
(Incorporated in Singapore)

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**RESPONSE TO QUERIES FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ON  
THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

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The Board of Directors (the “**Board**”) of Asia-Pacific Strategic Investments Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries raised by the Securities Investors Association (Singapore) (“**SIAS**”) in relation to the Company’s annual report for the financial year ended 30 June 2022 (the “**Annual Report**”) (such queries are available for download at SIAS’ website at [www.sias.org.sg](http://www.sias.org.sg)), and the Company’s responses are set out as follows:

**QUESTION 1**

The company announced on 18 March 2022 that it had entered into a non-binding heads of agreement with Catapult Ventures Pte. Ltd. for the acquisition of the 100% equity interest of MoneySmart. The proposed acquisition, if undertaken and completed, is expected to result in a reverse takeover of the company.

MoneySmart is one of the leading personal financial marketplaces in the region which help customers to make informed financial decisions by offering financial product comparison across banking, insurance and investment products.

The MoneySmart announcement came roughly one year after the announcement of a potential acquisition of a hospitality business in April 2021.

**(i) How is the company carrying out its deal sourcing given that the two proposed businesses (hospitality and financial marketplace) are very different in nature?**

The Company did not engage any entity to seek out potential deals. The Company was approached by dealmakers for the respective proposed business opportunities.

**(ii) What is the board’s role in deal sourcing? What guidance has the board given to management in terms of ticket size, industry, geographical focus, deal structure etc?**

As mentioned in point (i) above, the Company did not engage any entity to seek out potential deals. The Board reviewed and considered deals which would provide future prospects in terms of revenue growth, future profitability and business expansion to the Group.

**(iii) What was the level of due diligence carried out by the company and by the board?**

The Company carried out preliminary legal and financial due diligence on MoneySmart. Comprehensive due diligence would only be carried out after the parties enter into the definitive agreement(s).

**(iv) How did the company agree to the purchase consideration of US\$161.7 million (or S\$219.3 million at the exchange rate of US\$1 = S\$1.356) prior to an independent valuation being carried out?**

The purchase consideration was agreed by the parties after taking into consideration, among others, the historical financial results of MoneySmart, publicly available market comparables of similar business, profit projections and the business expansion plan. An independent valuation will be carried out after the parties enter into the definitive agreement(s).

**(v) Can the board/management elaborate further on the rationale for acquiring the MoneySmart business? On what basis did the board consider the proposed RTO to be an**

**opportunity to “diversify into businesses with greater returns and promising prospects” (page 52)? Has the board evaluated if the proposed acquisition would lead to long-term value creation for shareholders?**

MoneySmart is one of the leading personal financial marketplaces in the region which help customers to make informed financial decisions by offering financial product comparison across banking, insurance and investment products. Through its online platform, MoneySmart helps its clients who are financial institutions market financial products at lower costs and offers customers with a variety of financial products at competitive prices. With the trend of consumers purchasing most of their needs from online platforms, MoneySmart has the potential of reaching out to users of mobile devices. MoneySmart also plans to introduce more financial products on its platform as well as expand into other regions.

Barring unforeseen circumstances, the Board believes that the proposed acquisition of MoneySmart provides an opportunity for the Group to diversify into businesses with greater returns and promising prospects that will lead to long-term value creation for shareholders as compared to the near term uncertain and negative outlook for property and hospitality business in PRC.

## **QUESTION 2**

**For the financial year ended 30 June 2022, the group reported a net loss of \$(17.7) million as compared to \$(5.1) million in FY2021. The movement control measures due to the spread of the COVID-19 in China have led to severe disruptions to businesses, supply chains and livelihoods.**

**The group’s hotel, Anatole by Landison Hotel Huzhou, located in Zhejiang Province and in close proximity to Shanghai, was not spared. Also, given the negative sentiments in the Chinese real estate sector, the group will be reviewing and re-strategising its real estate development project, Project Phoenix 凤凰洲项目, in Huzhou, China.**

**(i) Can management elaborate on the strategic value of the Chinese hospitality and real estate businesses should the MoneySmart acquisition proceed?**

The Group will continue its operation plans as stated in the Annual Report to mitigate the negative impacts resulting from the Covid-19 pandemic. Management is of the view that it is not appropriate to elaborate on the strategic value of the Chinese hospitality and real estate business at this point of time. Management will update shareholders in future announcements should the MoneySmart acquisition proceed.

**(ii) Can management help shareholders better understand the sentiments on the ground in Huzhou City, Zhejiang Province?**

Generally, Huzhou City is also impacted by the slowdown of China’s economy, inflation and movement controls resulting from the new Covid-19 cases occurred in March and April 2022. Though movement controls has since April 2022 been lifted, we observe that consumers have become more cautious in their spending and are limiting their social gatherings and inter-cities travelling.

**The company had earlier announced the entry into a non-binding Framework Agreement with Bluetown The Spring Blossom Construction Group Co., Ltd in relation to the disposal of the company’s equity interests in the subsidiaries, Huzhou Dixi Gengdu Ecological Agriculture Development Co., Ltd and Zhongfang Lianhe Grand Canal Cultural Tourism Group Co., Ltd.**

**On 1 July 2022, the company announced that the agreement has lapsed as at 30 June 2022 as the milestone to obtain at least 400 mu (approximately 26.67 hectares) of land use rights for residential development within 6 months after the signing of the agreement was not fulfilled.**

- (iii) What were the reasons that the group was unable to obtain the land use rights for residential development within the timeframe?**

The movement control measures implemented in March and April of 2022 in Huzhou City have restricted the activities that can be carried out in obtaining the land use rights. As such, the Group was unable to obtain the land use rights for residential development within the timeframe.

- (iv) Has the land use right been obtained after 30 June 2022?**

No. As stated in the Annual Report, the Group is currently reviewing and re-strategising its real estate development project as a result of the negative sentiments in the real estate sector in China.

- (v) Is management still actively looking for buyers who are keen to acquire the two subsidiaries?**

As announced on 1 July 2022, the Company remains open to explore opportunities with other parties and if there should be material updates to the status of the negotiations with any other party, the Company will make further announcements in compliance with the relevant provisions of Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

### **QUESTION 3**

**At the annual general meeting scheduled to be held on 31 October 2022, the company is proposing the re-election of Dr Lam Lee G who is retiring pursuant to Article 91 of the company's constitution.**

**The biography of the director can be found on page 9 of the annual report. Additional information relating to retiring directors seeking re-election at the forthcoming AGM as set out in Appendix 7F of the Catalist Rule can be found on pages 34 to 42 of the annual report.**

**Dr Lam Lee G was first appointed to the board on 5 June 2007. Accordingly, the director has served on the board for more than 15 years.**

**On 30 November 2021, Mr Tan Boon Gin, chief executive of Singapore Exchange Regulation (SGX RegCo), gave guidance that companies are expected to use the two-tier rule sparingly to promote renewal and succession planning. On 13 September 2022, SGX RegCo further announced that it will consult on hard-coding the 9-year limit for independent directors.**

- (i) Has the board/nominating committee (NC) deliberated on the guidance by SGX RegCo on the selective use of the two-tier rule to promote board renewal?**

The Board/Nominating Committee ("NC") has deliberated on the guidance by SGX RegCo on selective use of the two-tier rule to promote board renewal. The Board and the NC also considered that the Board membership should be refreshed progressively and in an orderly manner, bearing in mind the contributions from longstanding directors who have over time developed an understanding and insight into the Group's business.

- (ii) Would the proposed re-election of Dr Lam Lee G and his continued appointment as an independent director go against SGX RegCo's guidance?**

No. Please refer to response in Question 3(i) above.

- (iii) Should Dr Lam Lee G, the NC chairman, lead by example by setting the tone with regard to capping the tenure of independent directors?**

In assessing the independence of Dr Lam Lee G, the NC (of which Dr Lam Lee G abstained from the deliberations) is of the view that the independence of Dr Lam Lee G should not be based

merely on the number of years which he has served on the Board. It should also consider the substance of his independent judgement, professionalism, integrity and the objectivity. Dr Lam's independence pursuant to Rule 406(3)(d)(iii) of the Catalist Rules was tabled and approved by the Company's shareholders at the last AGMs held on 30 December 2020. As Dr Lam is due for rotation retirement pursuant to Article 91 of the Company's Constitution, the Company will again be tabling the independence of Dr Lam pursuant to Rule 406(3)(d)(iii) of the Catalist Rules at the forthcoming AGM on 31 October 2022 at 3.00pm.

**In 2018, when the issue of multiple board representation was raised, Dr Lam Lee G had appointments on 12 listed companies. It has since increased to 20. From the latest disclosure, Dr Lam Lee G appears to sit on 3 companies on the SGX-ST, 14 companies on the Hong Kong Stock Exchange and one each on Bursa Malaysia, London Stock Exchange and Australian Securities Exchange (for a total of 20 directorships).**

To clarify, Dr Lam Lee G had appointed to 22 other listed companies as disclosed in the Company's annual report for the financial year ended 30 June 2018.

**(iv) Can Dr Lam Lee G, the NC chairman, confirm that the company has adopted a general guideline that the maximum number of listed company board representations by any director is six (6) but the NC has provided a waiver to Dr Lam Lee G?**

Dr Lam Lee G confirmed that the Company has adopted a general guideline that the maximum number of listed company board representations by any director is six (6). The exception to this guideline was approved by the NC.

In assessing whether Dr Lam Lee G has devoted sufficient time and attention to the affairs of the Company, the NC (of which Dr Lam Lee G abstained from deliberations) is satisfied that sufficient time and attention was given and due responsibilities were discharged by Dr Lam Lee G for the affairs of the Company.

**(v) Given the number of directorships and his long tenure on the board, would Dr Lam Lee G consider stepping down from the board so that he could focus his time, energy and attention on the other 19 boards that he sits on?**

As far as the Company is concerned, Dr Lam Lee G has attended all Board and Committee meetings and has provided constructive inputs in the meetings. He has devoted sufficient time and attention to the affairs of the Company.

Nevertheless, Dr Lam Lee G will review the number of his listed company board representations and if sufficient time and attentions have been devoted into the affairs of the listed companies.

## **BY ORDER OF THE BOARD**

Dato' Dr Choo Yeow Ming  
Chairman and Chief Executive Officer  
27 October 2022

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*This announcement 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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