



**Securities Investors Association (Singapore)**  
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111  
Tel: (65) 6227 2683 Email: [admin@sias.org.sg](mailto:admin@sias.org.sg)  
[www.sias.org.sg](http://www.sias.org.sg)  
UEN No: S99SS0111B  
GST Reg No: M90367530Y0Y

**Issuer:** Asia-Pacific Strategic Investments Limited

**Stock code:** 5RA

**Meeting details:**

Date: 30 Oct 2024

Time: 3.00 p.m.

Venue: 77 Robinson Road, #06-03 Robinson 77, Singapore 068896

**Q1.** On 17 September 2024, the company announced that it has entered into a joint venture and shareholders' agreement with EMG Unipessoal, LDA for a proposed mixed-use development on a plot of state land located at Oecusse Ambeno, Timor-Leste.

This announcement follows a series of proposed and subsequently terminated sale and purchase agreements related to the acquisitions of:

- Mobii Genius Co., Ltd. for US\$150 million, first announced on 8 April 2024 and terminated on 2 October 2024
- Zweispace Pte. Ltd., first announced on 7 March 2024 and terminated on 6 April 2024
- Catapult Ventures Pte. Ltd. (MoneySmart), first announced on 18 March 2022 and terminated on 30 June 2023
- An unnamed company with hospitality business, first announced on 22 April 2021 and terminated on 1 November 2021

A proposed subscription by IFH Technology Limited of 3,143,773,000 new shares of the company at an issue price of \$0.002 per share was also terminated on 9 September 2024.

- (i) **Can the sponsor provide shareholders with clarity on its role in assisting the company with these proposed acquisitions? What specific advice is being given to ensure success and long-term value creation?**
- (ii) **How much has the company spent on professional and legal fees related to these proposed but subsequently terminated corporate actions over the past three years?**
- (iii) **Has the board implemented any structured processes or criteria for evaluating potential deals, to ensure that management focuses only on transactions with high strategic alignment and a realistic probability of completion? What steps are being taken to improve deal-making discipline?**
- (iv) **Can the board elaborate on the level of due diligence conducted for these deals? What oversight is the sponsor providing to ensure that any future proposals are commercially viable and have a reasonable chance of completion?**
- (v) **Is there a concern that the company may have eroded investor confidence due to multiple terminated deals? How does the board plan to address this?**
- (vi) **Can the board clearly articulate the investment merits of the company for shareholders?**
- (vii) **Should the board consider suspending trading of the company's shares until a binding agreement is reached to protect shareholders and avoid further speculation?**

**Q2.** For the financial year ended 30 June 2024, the group reported no revenue due to the disposal of its hospitality segment in the previous financial year. In the chairman statement, it was disclosed that the group received a compensation of RMB5.1 million from the Nanxun Government in financial year ended 30 June 2024 for utilising the designated land for agricultural activities.

- (i) Could the audit committee or management explain how the RMB5.1 million compensation from the Nanxun Government was determined? What will be the compensation amount going forward?**
- (ii) Has management updated its detailed market feasibility study for Project Phoenix? What are the expected returns for Project Phoenix (凤凰洲项目) which is intended to redevelop the area as a modern aquaculture industry?**
- (iii) Given the recent economic stimulus measures by the Chinese government, what is the economic sentiment on the ground in Digang Town (荻港村)? How does management expect these measures to impact Project Phoenix?**
- (iv) What are the key considerations management is evaluating regarding the timing to commence Project Phoenix?**
- (v) Given that the Nanxun Government's support could continue until the end of 2028, does it mean that there is little incentive for the group to commence development before that?**
- (vi) With the group holding just \$19,000 in cash at the company level and \$1.2 million at the group level, what is the current cash burn rate? How does management plan to ensure the company remains a going concern and is able to meet its financial obligations?**

**Q3.** Mr Chew Soo Lin<sup>1</sup> will step down as a director at the conclusion of the annual general meeting scheduled to be held on 30 October 2024. Mr Chew Soon Lin was first appointed to the board on 5 June 2007.

Dr Lam Lee G<sup>2</sup> resigned on 2 October 2024, having served on the board since 5 June 2007.

- (i) **Can the sponsor clarify what specific questions were raised during the exit interview with Dr Lam Lee G? Was this interview conducted face-to-face, and were any material concerns shared during this process?**
- (ii) **How did the sponsor satisfy itself that all material reasons have been announced in the announcement of cessation? Did the cessation announcement contain any additional clarifications or information based on the matters raised in SGX RegCo's query<sup>3</sup> dated 2 October 2024?**
- (iii) **Was the sponsor aware of the arrest warrant reportedly issued in October 2023? Did the sponsor confirm with the former director whether he had knowledge of this matter before the board's inquiry that was triggered by SGX RegCo's query?**

With the cessation of Mr Chew Soo Lin, the board will be left with one independent director. The company is non-compliant with several Catalist Rules and provisions of the Singapore Code of Corporate Governance 2018, including:

- Rule 704(7) of the Catalist Rules, which requires a minimum of 3 members in the audit committee (AC),
  - Rule 406(3)(c) of the Catalist Rules, which mandates at least 2 independent non-executive directors,
  - Provisions 4.2, 6.2, and 10.2 of the Singapore Code of Corporate Governance 2018 regarding the composition of the AC, nominating committee (NC), and remuneration committee.
- (iv) **Given that SGX RegCo announced these changes in January 2023, providing the board with more than 20 months of transition, can the NC elaborate on the steps it has taken towards progressive board renewal? What challenges, if any, have been encountered in executing this succession plan?**

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<sup>1</sup> <https://links.sgx.com/1.0.0/corporate-announcements/UTLKY51TEGSXXEGV/8139a448cb6847a51b191911f44b5af505cdcf2029bc588de97d23e7159bb608>

<sup>2</sup> <https://links.sgx.com/1.0.0/corporate-announcements/524IM5STLFFTSZBY/770be9e3d426dcc8db1398ce7bdcb80287cc5e70be854755f8e7721efba6de0e>

<sup>3</sup> <https://links.sgx.com/1.0.0/corporate-announcements/A9WIFADB5HXMCM4V/d5933650481bdf45f7bc67878ce4834b54186a8fb5746485c12ab4225601fbfc>

- (v) **What specific guidance has the sponsor provided to the board in addressing these governance and compliance issues?**
  
- (vi) **In light of the current situation, does the NC believe it has fully discharged its duties? Specifically, how does the NC assess its performance given that the cessations will leave the company in breach of multiple Catalist Rules and governance provisions?**

*Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.*

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