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

**Stock code:** 5RA

**Meeting details:**

Date: 31 October 2022

Time: 3.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

**Q1.** 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?**
- (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?**
- (iii) **What was the level of due diligence carried out by the company and by the board?**
- (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?**
- (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?**

**Q2.** 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 restructurising 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?**
- (ii) **Can management help shareholders better understand the sentiments on the ground in Huzhou City, Zhejiang Province?**

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?**
- (iv) **Has the land use right been obtained after 30 June 2022?**
- (v) **Is management still actively looking for buyers who are keen to acquire the two subsidiaries?**

**Q3.** 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<sup>1</sup>. On 13 September 2022, SGX RegCo further announced that it will consult on hard-coding the 9-year limit for independent directors<sup>2</sup>.

- (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?**
- (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?**
- (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?**

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<sup>1</sup> <https://www.businesstimes.com.sg/companies-markets/answer-my-question-before-i-vote-sgx-regco-sets-new-timelines-for-companies-to>

<sup>2</sup> <https://www.sgxgroup.com/media-centre/20220913-sgx-regco-require-9-year-cap-id-tenure-disclosure-directors-and-ceo>

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).

Dr Lam Lee G	Dr Lam Lee G
<u>Present</u>	<u>Listed on Bursa Malaysia</u>
<u>Director</u>	1. TMC Life Sciences Berhad
<u>Listed on the SGX-ST</u>	<u>Listed on the London Stock Exchange</u>
1. Beverly JCG Ltd	1. Jade Road Investments Limited
2. Alset International Limited	<u>Listed on the Australian Securities Exchange</u>
3. Thomson Medical Group Limited	1. AustChina Holdings Limited
<u>Listed on the Hong Kong Stock Exchange</u>	<u>Principal Commitments</u> (voluntary/pro-base/community service role)
1. China LNG Group Limited	1. Pacific Basin Economic Council
2. CSI Properties Limited	2. United Nations Economic and Social Commission for Asia and the Pacific Sustainable Business Network
3. Elife Holdings Limited	
4. Greenland Hong Kong Holdings Limited	
5. Haitong Securities Company Limited	
6. Hang Pin Living Technology Company Limited	
7. Hong Kong Aerospace Technology Group Limited	
8. Huarong International Financial Holdings Limited	
9. Kidsland International Holdings Limited	
10. Mei Ah Entertainment Group Limited	
11. Mingfa Group (International) Company Limited	
12. RENHENG Enterprise Holdings Limited	
13. Sunwah Kingsway Capital Holdings Limited	
14. Vongroup Limited	

(Adapted from company annual report)

- (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?**
- (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?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority (“ACRA”), the Monetary Authority of Singapore (“MAS”) and Singapore Exchange Regulation (“SGX RegCo”) published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation  
 (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings (“Meetings Order”) would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

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

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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