



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Registration No.: 200609901H)
(Incorporated in the Republic of Singapore)

THE PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE OF 590,000,000 WARRANTS ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) EXISTING ORDINARY SHARE

1. INTRODUCTION

The Board of Directors ("**Directors**") of Asia-Pacific Strategic Investments Limited (the "**Company**") wishes to announce that the Company is proposing a renounceable underwritten rights issue (the "**Warrants Issue**") of 590,000,000 warrants (the "**Warrants**") at an issue price of S\$0.01 for each Warrant (the "**Issue Price**"), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the "**New Shares**") at the exercise price of S\$0.15 (the "**Exercise Price**"), on the basis of one (1) Warrant for every one (1) existing ordinary share in the capital of the Company ("**Shares**") held by the Entitled Shareholders (as defined below) as at a books closure date to be determined by the Directors (the "**Books Closure Date**"), fractional entitlements to be disregarded.

The Warrants Issue is underwritten by Kim Eng Securities Pte. Ltd. (the "**Underwriter**") on the terms and subject to the conditions of an underwriting agreement entered into between the Company and the Underwriter dated 17 March 2009 (the "**Underwriting Agreement**").

To show their support for the Warrants Issue, the Undertaking Shareholders (as hereinafter defined) shall provide Irrevocable Undertakings (as hereinafter defined) to the Company to subscribe and pay and/or procure (as the case may be) subscriptions and payment for all their entitlements to the Warrants under the Warrants Issue.

The obligations of the Underwriter and the Undertaking Shareholders pursuant to the Irrevocable Undertakings and the Underwriting Agreement will ensure that the entire Warrants Issue will be fully subscribed.

2. PROPOSED PRINCIPAL TERMS OF THE WARRANTS ISSUE

Pursuant to the Warrants Issue, 590,000,000 Warrants will be offered on the basis of one (1) Warrant for every one (1) existing ordinary share in the capital of the Company ("**Shares**") held by the Entitled Shareholders (as hereinafter defined) as at the Books Closure Date, fractional entitlements to be disregarded.

The existing issued and paid-up share capital of the Company as at the date of this announcement is 590,000,000 ("**Existing Share Capital**"). Based on the Existing Share Capital, 590,000,000 Warrants will be issued pursuant to the Warrants Issue, assuming that no new Shares are issued before the Books Closure Date. Entitled Shareholders (as

hereinafter defined) will be at liberty to accept (in full or in part), decline or otherwise renounce their provisional allotments of Warrants and will be eligible to apply for additional Warrants in excess of their provisional allotments under the Warrants Issue.

Fractional entitlements to the Warrants will be disregarded in arriving at the entitlements of shareholders of the Company ("**Shareholders**") and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of excess Warrants, preference will be given to the rounding of odd lots, Directors and substantial Shareholders will rank last in priority, and the Company will not make any allotments and issuance of any excess Warrants that would result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in general meeting.

The Warrants will be issued in a registered form and will be listed and traded on Catalist under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on Catalist, subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each Warrant will, subject to the terms and conditions governing the Warrants to be set out in an instrument by way of a deed poll (the "**Deed Poll**"), entitle its holder to subscribe for one (1) New Share at the Exercise Price of S\$0.15 at any time during the period commencing on and including the date of issue of the Warrants and expiring on a date immediately preceding the fifth (5th) anniversary of such date of issue. The Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances in accordance with the Deed Poll. The New Shares to be issued upon the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save that they shall not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which is before the relevant date of exercise of the Warrants.

The terms and conditions of the Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Warrants Issue will be contained in the offer information statement to be issued by the Company in connection with the Warrants Issue (the "**Offer Information Statement**").

3. IRREVOCABLE UNDERTAKINGS

As at the date hereof, Dato' Dr. Choo Yeow Ming and Ir. Heng Aik Koon (the "**Undertaking Shareholders**") hold an aggregate of 218,497,447 Shares in the Company, amounting to 37.04% of the existing issued and paid-up share capital of the Company.

The details of their individual shareholdings are as follows:

- (a) Dato' Dr. Choo Yeow Ming holds a direct interest in 106,054,024 Shares representing 17.98% of the voting rights of the Company; and
- (b) Ir. Heng Aik Koon holds a direct interest in 112,443,423 Shares representing 19.06% of the voting rights of the Company.

In connection with the Warrants Issue, the Undertaking Shareholders have given to the Company irrevocable undertakings that, *inter alia* -

- (i) they will not, or will procure that registered shareholders holding Shares on their behalf (the “**Registered Shareholders**”) will not, transfer or otherwise dispose of their respective Shares prior to the Books Closure Date; and
 - (ii) they will, or will procure that the Registered Shareholders will, as the case may be, subscribe and/or procure subscriptions for their Warrants entitlements under the Warrants Issue, which would amount to an aggregate of 218,497,447 Warrants,
- (the “**Irrevocable Undertakings**”).

The Company has received confirmation from various financial institutions that the Undertaking Shareholders have the financial resources to fulfil their obligations pursuant to the Irrevocable Undertakings.

4. **UNDERWRITING**

The Warrants Issue is underwritten on a firm commitment basis by the Underwriter pursuant to the terms of the Underwriting Agreement dated 17 March 2009.

Pursuant to the Underwriting Agreement, *inter alia*:

- (a) the Underwriter agreed, on a firm commitment basis, to procure subscribers for, or failing which, to subscribe for, up to 371,502,553 Warrants, other than the Warrants which are the subject of the Irrevocable Undertakings;
- (b) the Underwriting Agreement is conditional upon certain events, including the in-principle approval from the Company’s sponsor Stamford Corporate Services Pte Ltd (the “**Sponsor**”) for the listing of and quotation for the Warrants remaining in full force and effect, and fulfillment of all conditions contained in such in-principle approval or imposed by the Sponsor thereafter to the reasonable satisfaction of the Underwriter;
- (c) the Underwriter may arrange sub-underwriting for some, all or none of the Warrants to be underwritten; and
- (d) the Company agreed that it will not issue any new shares for a period of ninety (90) days following completion of the Warrants Issue without prior consent of the Underwriters, such consent not to be unreasonably withheld.

In consideration of the Underwriter’s agreement to underwrite the Warrants Issue, the Company will pay to the Underwriter, an underwriting fee of S\$92,875.64, which is computed on the basis of 2.5% of the aggregate of the Issue Price of S\$3,715,025.53 for the 371,502,553 Warrants to be underwritten.

5. **SUB-UNDERWRITING BY NASSIM CAPITAL PTE LTD**

Nassim Capital Pte Ltd (the “**Sub-Underwriter**”) entered into a sub-underwriting agreement dated 16 March 2009 with the Underwriter, pursuant to which the Sub-Underwriter agrees to subscribe for up to 322,000,000 Warrants under the Warrants Issue, representing not more than 27.3% of the total issued share capital of the Company (after full dilution assuming all the Warrants issued under the Warrants Issue are exercised), to the extent that such Warrants are not validly subscribed for under the Warrants Issue (the “**Sub-Underwriting Agreement**”).

In consideration of the Sub-Underwriting Agreement, the Underwriter shall pay to the Sub-Underwriter, a sub-underwriting fee of S\$64,400.00, which is equivalent to 2% of the total amount to be sub-underwritten by the Sub-Underwriter.

The Sub-Underwriter is the fund manager of The Nassim Fund. As at the Latest Practicable Date, The Nassim Fund holds a deemed interest in the Company through an aggregate of 68,751,000 Shares of the Company held by Kim Eng Securities Pte. Ltd., amounting to 11.65% of the existing issued and paid-up share capital of the Company.

6. PURPOSE OF THE WARRANTS ISSUE AND USE OF PROCEEDS

Upon completion of the subscription of the 590,000,000 Warrants, the estimated gross proceeds arising from the subscription of the Warrants will amount to approximately S\$5.9 million. After deducting estimated expenses of approximately S\$300,000 (including underwriting fees), the estimated net proceeds will be approximately S\$5.6 million. The Company intends to utilise the net proceeds for the general working capital purposes of the Company.

As and when the Warrants are exercised, the proceeds arising therefrom may, at the discretion of the Directors, be applied towards repayment of borrowings, investment purposes, working capital and/or such other purposes as the Directors may deem fit. The Company will make the necessary announcements and subsequently provide a status report on the use of such net proceeds in its annual report.

Pending the deployment of the proceeds from the Warrants Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, as the Directors may deem appropriate in the interests of the Company and its subsidiaries.

There is no minimum amount which must be raised from the Warrants Issue. The Directors are of the opinion that, after taking into consideration the present bank facilities of the Group and the net proceeds of the Warrants Issue, the present general working capital available to the Group is sufficient to enable the Company to meet its obligations and continue to operate as a going concern under current trading conditions.

Nevertheless, given current market conditions and should economic conditions deteriorate, the Company faces risks that may negatively impact on its working capital requirement or limit its ability to fund growth in the longer term, and the Warrants Issue provides funding to enable the Company to better manage such risks.

7. APPROVALS

The Warrants Issue is subject to, *inter alia*, the following:

- (a) the in-principle approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and/or the Sponsor for the dealing in, listing and quotation of the Warrants and the New Shares to be issued upon the exercise of the Warrants, on Catalist, having been obtained;
- (b) the issue and allotment of the Warrants and the New Shares, having been approved by Shareholders at an extraordinary general meeting to be convened (the “**EGM**”); and
- (c) the lodgment of the Offer Information Statement with the SGX-ST.

An application will be made to the SGX-ST and/or the Sponsor for permission to deal in, and for the listing and quotation of, the Warrants and the New Shares to be issued upon the exercise of the Warrants on Catalist. The listing of and quotation for the Warrants on Catalist will be subject to there being an adequate spread of holdings for the Warrants to provide for an orderly market for the trading of the Warrants. An appropriate announcement on the outcome of the application will be made in due course.

A circular to Shareholders containing, *inter alia*, the notice of the EGM in relation to the Warrants Issue will be despatched to Shareholders in due course. The Offer Information Statement will be lodged with the SGX-ST and despatched to Entitled Shareholders in due course following the EGM if the Warrants Issue is approved at the EGM.

8. LOCK-UP

Under the Underwriting Agreement, the Company agrees that it will not, at any time on or before the expiry of ninety (90) days after the completion of the Warrants Issue, issue any marketable securities (in the form of, or represented or evidenced by, bids, notes, debentures, loan stock or other securities) or Shares or options thereof, declare or distribute any dividend or vary, alter, subdivide or otherwise do anything to its capital structure (issued or otherwise) without the prior written consent of the Underwriter, such consent not to be unreasonably withheld.

9. DIRECTORS' CONFIRMATION

The Directors note that Underwriter is not an "Interested Person" of the Company as defined under the Listing Manual and having considered the terms of the Underwriting Agreement (including the fee payable to the Underwriter thereunder), the Directors are unanimously of the view that the Underwriting Agreement has been entered into on arm's length basis and on normal commercial terms.

In considering the structure of the Warrants Issue underwriting, the Directors have considered and note, *inter alia*, the following:

- (a) the purpose for, and the use of proceeds from, the Warrants Issue, as set out above;
- (b) the importance of the Warrants Issue to be fully underwritten, given the execution risks posed by the longer warrants issue execution period and the likely material adverse consequences of an unsuccessful warrants issue, in light of the recent months of market uncertainty and volatility;
- (c) the written confirmation from the Underwriter to the Directors that the Underwriter will not underwrite the Warrants Issue without the Sub-Underwriting Agreement being put in place, and that the discussion on the sub-underwriting arrangement with the Sub-Underwriter was initiated by the Underwriter and not by the Sub-Underwriter; and
- (d) the sub-underwriting fee paid to the Sub-Underwriter (i) not being higher than the underwriting fee payable to the Underwriter; (ii) being paid by the Underwriter out of its own underwriting fee; and (iii) not leading to an additional cost to the Company over and above the underwriting fee payable to the Underwriters;

On the bases set out above, the Directors are unanimously of the view that the terms of the Sub-Underwriting Agreement are fair and not prejudicial to the Company and to other Shareholders.

None of the Directors dissented in arriving at the above opinions.

10. INDICATIVE TIMETABLE

An indicative timetable for the Warrants Issue, which is conditional upon the receipt of the in-principle approval from the SGX-ST and/or the Sponsor for the dealing in, listing and quotation of the Warrants and the New Shares to be issued upon the exercise of the Warrants, on Catalist, is set out below (all references are to Singapore dates and times):

EGM	:	6 April 2009
Notice of Books Closure	:	6 April 2009 at 5.00 p.m.
Shares trading ex-rights	:	14 April at 9.00 a.m.
Books Closure Date*	:	16 April at 5.00 p.m.
Lodgment of Offer Information Statement with Catalodge	:	18 April 2009
Despatch of Offer Information Statement and Forms	:	21 April 2009
Expected date for commencement of trading of "nil-paid" Warrants	:	21 April 2009 from 9.00 a.m.
Expected last day of trading of "nil-paid" Warrants	:	29 April 2009 at 5.00 p.m.
Expected last date and time for splitting	:	24 April 2009 at 5.00 p.m.
Expected last date and time for acceptance of and payment for Warrants	:	6 May 2009 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Expected last date and time for renunciation and payment for Warrants	:	6 May 2009 at 5.00 p.m.
Expected last date and time for application and payment for excess Warrants	:	6 May at 5.00 p.m. (9.30 p.m. for Electronic Applications)
CDP furnish level of acceptance	:	11 May 2009
CDP furnish Share Registrar with excess application tape by 11 a.m.	:	12 May 2009
Share Registrar process excess allocation	:	13 May 2009
Share Registrar to return excess allotment tape to CDP by 11 a.m.	:	14 May 2009

Allotment & issue of warrant certificates	14 May 2009
Despatch warrant certificates to CDP	15 May 2009
Listing & quotation of warrants	17 May 2009

The above timetable is subject to modifications at the discretion of the Company.

***Note:** The Books Closure Date shall not be fixed until SGX-ST has issued the listing and quotation notice.

11. ELIGIBILITY TO PARTICIPATE IN THE WARRANTS ISSUE

The Company is proposing a Warrants Issue to the Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, are in Singapore as at the Books Closure Date or who have, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Entitled Shareholders**”).

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”).

The entitlements to Warrants which would otherwise be provisionally allotted to Foreign Shareholders will, if practicable, be sold “nil-paid” on Catalist or dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the sole benefit of the Company. Any entitlements to the Warrants not taken up for any reason will be aggregated and allotted to satisfy excess applications or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors of the Company or the substantial Shareholders has an interest, direct or indirect, in the Warrants Issue other than through their respective shareholding interests in the Company.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

Dato' Dr. Choo Yeow Ming

Chief Executive Officer

Date: 17 March 2009

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Yap Lian Seng.

Telephone number: 6389 3000 Email: lianseng.yap@stamfordlaw.com.sg