

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

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

PROPOSED ALLOTMENT AND ISSUANCE OF 11,000,000 WARRANTS

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Asia-Pacific Strategic Investments Limited (the “**Company**”) wishes to announce that the Company had on 4 November 2013 entered into a subscription agreement (the “**Subscription Agreement**”) with Sim Chek Tong (the “**Subscriber**”) pursuant to which the Company shall allot and issue 11,000,00 non-listed, transferable warrants (the “**Warrants**”) to the Subscriber, with each Warrant carrying the right to subscribe for one ordinary new share in the capital of the Company (“**Share**”) at an exercise price of S\$0.216 per Share (the “**Subscription**”).

2. INFORMATION ON THE SUBSCRIBER AND RATIONALE FOR SUBSCRIPTION

The Subscriber is a businessman who has 36 years of experience in the region. He is currently the executive chairman and chief executive officer of Clean Energy Holdings Pte Ltd, a technology-based company focused on Waste-to-Energy business. The Subscriber was introduced to the Company by the Company’s independent director, Chew Soo Lin, who is the brother-in-law of the Subscriber. Save as disclosed herein, the Subscriber is independent from the Company and its subsidiaries (the “**Group**”), its directors and substantial shareholders.

The Warrants are being allotted and issued to the Subscriber for introducing George H. Richmond to the Company in respect of the Company’s proposed acquisition of Coeur Gold Armenia Ltd from George H. Richmond (the “**Acquisition**”) as well as introducing China Global Energy & Resources Ltd (“**CGER**”) to the Company in respect of the Company’s offering of shares to CEGR, which were both announced by the Company on 5 September 2013. The Company intends to enter into a sale and purchase agreement with George H. Richmond in relation to the Acquisition (the “**SPA**”). The allotment and issuance of the Warrants will enable the Company to conserve its cash in relation to the payment of the introducer’s fee. The terms of the Subscription were arrived at after negotiations and on an arms-length basis between the Company and the Subscriber.

The Subscriber has confirmed that he is not a restricted person under Rule 812 of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

3. TERMS OF THE SUBSCRIPTION

3.1 Subscription of the Warrants

Subject to the terms and conditions of the Subscription Agreement, the Company shall allot and issue 11,000,000 Warrants to the Subscriber for a cash consideration of S\$1.00, with each Warrant carrying the right to subscribe for one new Share at the exercise price of S\$0.216 per Share.

3.2 Terms of the Warrants

Number of Warrants : 11,000,000

Transferability : The Warrants are freely transferable. In the event of a

transfer of Warrants, the transferor must lodge a duly executed transfer notice in the prescribed form to the Company.

- Exercise Rights** : Each Warrant entitles the holder of the Warrant (the “**Warrantholder**”) to subscribe for one new Share (the “**Warrant Share**”) at the Exercise Price (as defined below) during the Exercise Period (as defined below).
- Exercise Price** : S\$0.216, which represents a discount of 10% to the last traded price of S\$0.24 for Shares traded on the SGX-ST on 1 November 2013, being the market day immediately preceding the Company’s entry into the Subscription Agreement and this announcement on which Shares were traded on the Catalist of the SGX-ST
- Gross Proceeds** : S\$2,376,000, assuming all the Warrants are exercised
- Exercise Period** : The period commencing on the date falling three (3) months from the date of issue of the Warrants and expiring on the day immediately preceding the first anniversary of the date of issue of the Warrants
- Adjustment Events** : The Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances as provided for in a deed poll to be executed by the Company for the purpose of constituting the Warrants (the “**Deed Poll**”) and appropriate announcements on the adjustments will be made by the Company
- Mandate** : The allotment and issuance of the Warrants will be undertaken pursuant to the general share issue mandate granted by Shareholders at the annual general meeting of the Company held on 24 October 2013
- Listing** : The Warrants will not be listed on the SGX-ST
- Lapse** : 8,800,000 Warrants which are then outstanding and remain unexercised shall lapse and cease to be valid if the SPA is not entered into by 2 January 2014, or such other date as may be notified in writing to the Subscriber by the Company, provided that such date shall not be later than the date immediately preceding the first anniversary of the date of issue of the Warrants

The Subscriber can exercise the Warrants at any time during the Exercise Period provided that the Warrants have not lapsed pursuant the abovementioned paragraph

3.3 Conditions Precedent

The allotment and issuance of the Warrants is conditional upon, *inter alia*, the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Warrant Shares on the Catalist of the SGX-ST.

3.4 Warrant Shares

The Warrant Shares will, upon allotment and issue upon the exercise of the Warrants, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of allotment of the Warrant Shares.

An application will be made to the SGX-ST for the listing and quotation of the Warrant Shares on the Catalist of the SGX-ST. The Company will make the relevant announcement upon receipt of the outcome of the application.

3.5 Proportion of Warrant Shares

Assuming the Warrants are fully exercised and converted into Warrant Shares, the Warrant Shares represent approximately 8.6% of the existing issued and paid-up share capital of the Company as at the date of this announcement and approximately 7.9% of the enlarged issued and paid-up capital of the Company after the exercise and conversion of all the Warrants.

4. USE OF PROCEEDS

As and when the Warrants are exercised, the Company intends to use the Gross Proceeds for general working capital purposes. For the purposes of Rule 810(1)(c) of the Catalist Rules, (i) the Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements and the Subscription is being undertaken for the reasons stated in paragraph 2, and (ii) consequently, they are of the opinion that, after taking into consideration the present bank facilities and the estimated net proceeds from the exercise of the Warrants, the working capital available to the Group is sufficient to meet its present requirements.

The Company will make periodic announcements on the utilisation of the proceeds from the Subscription and the exercise of the Warrants, as the funds from the Subscription and the exercise of the Warrants are materially disbursed and provide a status report on the utilization of the proceeds from the Subscription and the exercise of the Warrants in the Company's annual report.

5. FINANCIAL EFFECTS OF THE SUBSCRIPTION

The pro forma effects of the Subscription based on the audited consolidated financial statements of the Company and the Group for the financial year ended 30 June 2013, are set out below. The pro forma financial effects are only presented for illustrated purposes, and are not intended to reflect the actual future financial situation of the Company of the Group after the completion of the Subscription.

5.1 Net Tangible Assets

Assuming that (i) the Subscription had been completed by 30 June 2013; and (ii) the Warrants had been fully exercised on 30 June 2013, the effect on the net tangible assets ("NTA") per share of the Group as at 30 June 2013 will be as follows:

		Before the Subscription	After the Subscription and Warrants have been fully exercised
Consolidated	NTA	48,536	54,507
(RM'000)			
Number of shares		69,341	80,341
Consolidated	NTA per	0.70	0.68
share (RM)			

5.2 Loss per Share

Assuming that (i) the Subscription had been completed on 1 July 2012 and (ii) the Warrants had been fully exercised on 1 July 2012, the effect on the loss per share of the Group for the financial year ended 30 June 2013 will be as follows:

		Before the Subscription	After the Subscription and Warrants have been fully exercised
Consolidated	loss	(3,438)	(3,438)
attributable to the equity holders of the Company (RM'000)			
Weighted average number of shares		69,341	80,341
Consolidated loss per share (RM cents)		(5.0)	(4.3)

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed, none of the Directors and substantial Shareholders has any interests, direct or indirect, in the Subscription, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

BY ORDER OF THE BOARD

Dato' Dr. Choo Yeow Ming
Chairman and Chief Executive Officer

4 November 2013

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 Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor had not independently verified the contents of this announcement.

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

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