

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

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

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,095,335,350 NEW ORDINARY SHARES OF THE COMPANY WITH WARRANTS

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Asia-Pacific Strategic Investments Limited (the “**Company**”) wishes to announce that the Company is undertaking a renounceable rights issue (the “**Rights cum Warrants Issue**”) of up to 1,095,335,350 new ordinary shares of the Company (the “**Shares**”) with up to 1,095,335,350 free detachable warrants (the “**Warrants**”), on the basis of five (5) Rights Shares (as defined below) for every one (1) existing Share held by shareholders of the Company (the “**Shareholders**”) as at a books closure date to be determined (the “**Books Closure Date**”) and one (1) Warrant for every one (1) Rights Share subscribed.

2. DETAILS OF RIGHTS CUM WARRANTS ISSUE

2.1 Terms of Rights cum Warrants Issue

The Company is offering up to 1,095,335,350 new Shares (the “**Rights Shares**”) at an issue price of S\$0.02 per Rights Share (the “**Issue Price**”), and up to 1,095,335,350 Warrants, with each Warrant carrying the right to subscribe for one (1) new Share (the “**Warrant Share**”) at the exercise price of S\$0.02 per Warrant Share (the “**Exercise Price**”), on the basis of five (5) Rights Shares for every one (1) existing Share held by Shareholders as at the Books Closure Date and one (1) Warrant for every one (1) Rights Share subscribed.

Entitled Shareholders (as defined below) will be at liberty to accept (in full or in part), decline, or otherwise renounce or trade (during the provisional allotment trading period prescribed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)) their provisional allotment of Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

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

It is hereby disclosed and confirmed that, in the allotment of excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and the Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for rounding of odd lots and allotment of excess Rights Shares with Warrants. The Company will also not make any allotment and issue of any excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The Rights Shares with Warrants are payable in full upon acceptance and application by Entitled Shareholders. The Rights Shares with Warrants will, upon allotment and issue, 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 issue of the Rights Shares with Warrants. For this purpose, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.2 Terms of Warrants

The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on the Catalist of the SGX-ST, subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.

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**”), each Warrant will carry the right to subscribe for one (1) Warrant Share at the Exercise Price at any time during the period commencing on the date of issue of the Warrants and expiring on the day immediately preceding the fifth anniversary of the date of issue of the Warrants (the “**Exercise Period**”). The Warrants that remain unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

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 the Deed Poll and appropriate announcements on the adjustments will be made by the Company.

The Warrant Shares arising from the exercise of the Warrants will, upon allotment and issue, 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 issue of the Warrant Shares.

2.3 Size of Rights cum Warrants Issue

As at the date of this announcement, the issued share capital of the Company (excluding treasury shares) comprises 128,509,102 Shares (the “**Existing Share Capital**”), and there is an aggregate of 79,557,968 outstanding warrants issued by the Company as well as 11,000,000 warrants to be issued by the Company to Mr. Sim Chek Tong (as announced by the Company on 4 November 2013), all of which may be exercised on or prior to the Books Closure Date (the “**Relevant Warrants**”). In the event all the Relevant Warrants are exercised, the issued share capital of the Company (excluding treasury shares) will increase to 219,067,070 Shares.

Based on the Existing Share Capital and assuming that (i) none of the Relevant Warrants are exercised on or prior to the Books Closure Date, and (ii) all the Entitled Shareholders subscribe and pay for their pro rata entitlements of Rights Shares with Warrants and subsequently exercise all their Warrants (the “**Minimum Subscription Scenario**”), the Company will issue 642,545,510 Rights Shares and 642,545,510 Warrant Shares under the Rights cum Warrants Issue.

Based on the Existing Share Capital and assuming that (i) all of the Relevant Warrants are exercised and new Shares are issued pursuant thereto on or prior to the Books Closure Date and (ii) all of the Entitled Shareholders subscribe and pay for their pro rata entitlements of Rights Shares with Warrants and subsequently exercise all their Warrants (the “**Maximum Subscription Scenario**”), the Company will issue 1,095,335,350 Rights Shares and 1,095,335,350 Warrant Shares under the Rights cum Warrants Issue.

2.4 Issue Price and Exercise Price

The Issue Price of S\$0.02 per Rights Share and S\$0.02 per Warrant Share represent a discount of approximately 91.5% to the last traded price of S\$0.235 for Shares traded on the SGX-ST on 26 November 2013, being the market day immediately preceding this announcement on which Shares were traded on the Catalist of the SGX-ST.

2.5 Further Information

The Directors are of the opinion that there is no minimum amount which must be raised from the Rights cum Warrants Issue. Hence, in view of the above and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Rights cum Warrants Issue on a non-underwritten basis.

Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary, scale down the subscription for the Rights Shares with Warrants by any of the substantial Shareholders (if such substantial Shareholder chooses to subscribe for its pro-rata Rights Shares with Warrants entitlement) to avoid placing the relevant substantial Shareholder in the position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and Mergers as a result of other Shareholders not taking up their Rights Shares with Warrants entitlement fully.

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the Rights cum Warrants Issue will be contained in the offer information statement (the “**Offer Information Statement**”) to be despatched by the Company to Entitled Shareholders in due course.

3. RATIONALE AND USE OF PROCEEDS

The Company is undertaking the Rights cum Warrants Issue to strengthen the financial position and capital base of the Company and its subsidiaries (the “**Group**”). The Rights cum Warrants Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company. The net proceeds arising from the allotment and issuance of the Rights Shares (without taking into account the proceeds from the exercise of the Warrants) will be used to defray the Company’s costs and expenses arising for its proposed acquisition of Coeur Gold Armenia Ltd from George H. Richmond (the “**Acquisition**”) which was announced by the Company on 5 September 2013, as well as for general working capital purposes.

There is no minimum amount to be raised from the Rights cum Warrants Issue. For the purposes of Rule 814(1)(e) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**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 Rights cum Warrants Issue is being undertaken for the reasons stated in the previous paragraph, and (ii) consequently, they are of the opinion that, after taking into consideration the present bank facilities and the net proceeds of the Rights cum Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

The net proceeds arising from the allotment and issuance of the Rights Shares (without taking into account the proceeds from the exercise of the Warrants), after deducting estimated costs and expenses of S\$0.23 million relating to the Rights cum Warrants Issue, is approximately (i) S\$12.6 million in the Minimum Subscription Scenario (assuming none of the Warrants are exercised) and (ii) S\$21.7 million in the Maximum Subscription Scenario (assuming none of the Warrants are exercised). The Company intends to use the net proceeds arising from the allotment and issuance of the Rights Shares (without taking into account the proceeds from the exercise of the Warrants and in the following order of priority) as set out below:

| Use of Proceeds | Percentage of Net Proceeds (%) |
|---|---------------------------------------|
| 1. Defraying costs and expenses arising from the Acquisition | 30-70 |
| 2. Funding growth and expansion (as and when opportunities arise) | 10-30 |
| 3. Working capital purposes | 10-30 |
| Total | 100 |

The additional proceeds arising for the exercise of all of the Warrants is approximately S\$21.9 million. As and when the Warrants are exercised, the proceeds arising therefrom may, at the discretion of the Directors, be applied towards expanding the business of the Group, financing new business ventures through acquisitions and/or strategic investments and working capital.

Pending the deployment of the net proceeds raised from the Rights cum Warrants Issue, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities, as the Directors may deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of the proceeds from the Rights cum Warrants Issue as and when such proceeds are materially disbursed and will provide a status report on the use of proceeds from the Rights cum Warrants Issue in the interim and full year financial statements issued pursuant to Rule 705 of the Catalist Rules and in the annual report(s) of the Company, until such time the proceeds have been fully utilised.

4. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE

4.1 Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (the “**Depositors**”) will be provisionally allotted Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore must provide CDP, at 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807, with addresses in Singapore not later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants.

4.2 Entitled Scripholders

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (the “**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company’s share registrar, B.A.C.S. Private Limited (the “**Share Registrar**”) in order to be registered to determine the transferee’s provisional allotments of Rights Shares with Warrants.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore, must provide the Share Registrar at 63 Cantonment Road, Singapore 089758 with addresses in Singapore not later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants.

The Entitled Depositors and Entitled Scripholders shall be collectively referred to as “**Entitled Shareholders**” in this announcement.

4.3 CPF Investment Scheme

Persons who bought their Shares previously using their Central Provident Fund account savings (“**CPF Funds**”) may use the same for the payment of the Issue Price to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants, subject to the applicable rules and regulations of the Central Provident Fund. Such persons who wish to accept their provisional allotments of Rights Shares with Warrants will need to instruct their respective approved banks where they hold their CPF Investment Accounts, to accept their provisional allotment of Rights Shares with Warrants and (if applicable) apply for the excess Rights Shares with Warrants on their behalf in accordance with the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

4.4 Foreign Shareholders

For practicable reasons and to avoid any violation of securities legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). As such, no provisional allotments of the Rights Shares with Warrants will be made to, and no purported acceptance thereof and application therefor by, Foreign Shareholders will be valid.

If it is practicable to do so, arrangements may be made, at the discretion of the Company, for provisional allotments of Rights Shares with Warrants which would otherwise be provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares with Warrants commence.

5. APPROVALS

The Rights cum Warrants Issue is subject to, *inter alia*,

- (i) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares on the Catalist of the SGX-ST;
- (ii) the issue and allotment of the Rights Shares, the Warrants and the Warrants Shares having been approved by Shareholders at an extraordinary general meeting to be convened (the “**EGM**”); and
- (iii) the lodgment of the Offer Information Statement with the SGX-ST (acting as agent of the Monetary Authority of Singapore).

An application will be made to the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and 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.

A circular to Shareholders containing, *inter alia*, the notice of the EGM in relation to the Rights cum Warrants Issue will be despatched to Shareholders in due course. The Offer Information Statement will be lodged with the SGX-ST (acting as agent of the Monetary Authority of Singapore) and despatched to Entitled Shareholders in due course following the EGM if the Rights cum Warrants Issue is approved at the EGM.

6. ADJUSTMENTS TO WARRANTS

As a result of the Rights cum Warrants Issue, adjustments may be made to the number and/or exercise price of the Relevant Warrants of the Company. The Company will in due course make the relevant announcement and notify holders of the warrants of such adjustments.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial Shareholders has any interests, direct or indirect, in the Rights cum Warrants Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights cum Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the circular in its proper form and context.

BY ORDER OF THE BOARD

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

27 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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