



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200609901H)

**PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF
CENTURY 21 HONG KONG LIMITED**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Asia-Pacific Strategic Investments Limited (the “**Company**”) is pleased to announce that the Company has, on 8 May 2015, entered into a sale and purchase agreement (the “**S&P Agreement**”) with Menkin Limited (the “**Vendor**”) pursuant to which the Company has agreed to acquire the entire issued and paid-up share capital of Century 21 Hong Kong Limited (the “**Target Company**”) from the Vendor (the “**Acquisition**”).

2. INFORMATION RELATING TO THE VENDOR AND THE TARGET COMPANY

The information on the Vendor and the Target Company in this paragraph 2 was provided by the Vendor, which has been extracted and reproduced herein. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this Announcement.

2.1 The Vendor

The Vendor is a company incorporated in Hong Kong with limited liability whose principal business is investment holding. The sole shareholder of the Vendor is Mr. Ng Kai Man who is the Executive Director of 21 Holdings Limited, a company listed on the Stock Exchange of Hong Kong Limited. In December 2014, Mr. Ng Kai Man acquired through the Vendor the entire interest of the Target Company from 21 Holdings Limited.

2.2 The Target Company

The Target Company is a company incorporated in Hong Kong with limited liability. The Target Company and its subsidiary (together, the “**Target Group**”) are principally engaged in the provision of franchise service in Hong Kong and Macau.

Under a subfranchise agreement entered into with Century 21 Real Estate Corporation on 12 August 1993 (as subsequently amended) (the “**Subfranchise Agreement**”), the Target Company has been granted the exclusive perpetual right by Century 21 Real Estate Corporation to sublicense certain “Century 21” marks, to grant Century 21 franchises to licensed real estate brokers and to use the Century 21 system for the establishment, development and operation of real estate brokerages office in Hong Kong and Macau.

Century 21 Real Estate Corporation is the owner of “Century 21” marks and its related systems. The system refers to Century 21 marketing and operating system, retail networks, agent networks, website and information system. Century 21 Real Estate Corporation is not related to any of the Target Company, the Vendor, Mr. Ng Kai Man or 21 Holdings Limited.

3. KEY TERMS OF THE ACQUISITION

3.1 Sale and Purchase

Pursuant to the S&P Agreement, the Company will acquire 3,880,000 shares of HK\$1.00 each in the capital of the Target Company (the “**Sale Shares**”), representing the entire issued and paid-up share capital of the Target Company free and clear of all encumbrances and together with all the rights and benefits of any nature attaching thereto, including but not limited to the right to receive all dividends and distributions which may be paid, declared or made thereon after the completion of the Acquisition.

Following the completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company.

3.2 Consideration

The aggregate consideration for the Sale Shares is S\$1,000,000 (the “**Consideration**”) which will be satisfied by the allotment and issuance of 33,333,333 new ordinary shares in the capital of the Company (the “**Consideration Shares**”) at the agreed issue price of S\$0.03 per share (the “**Issue Price**”). The Consideration was arrived at following arm’s length negotiations on a willing buyer willing seller basis, and taking into account the net profit and the net tangible assets value of the Target Group for the year ended 31 December 2014 of HK\$141,000 and HK\$4,106,000 respectively.

The Issue Price represents a discount of 6.3% to the volume weighted average price (“**VWAP**”) of the shares of the Company (the “**Shares**”) on Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 8 May 2015, being the full market day on which the S&P Agreement was signed.

3.3 Completion

The completion of the Acquisition (the “**Completion**”) is conditional upon, *inter alia*, the following conditions precedent having been fulfilled or waived in accordance with the terms of the S&P Agreement (the “**Conditions Precedent**”):

- (a) the approval of the board of directors and shareholders of the Company (if required) having been obtained for the entry into, implementation and completion of, the transactions contemplated in the S&P Agreement, including in particular the Acquisition on the terms set out in S&P Agreement;
- (b) all necessary approvals, consents and waivers of any government bodies, stock exchange and other regulatory authority having jurisdiction over the transactions contemplated in this Agreement and all other transactions in connection therewith and incidental thereto, having been obtained by the Vendor or the Company, as relevant, such consents, approvals and waivers not having been amended, withdrawn or revoked before the date of Completion, and to the extent that such consent, approvals

and waivers are subject to any conditions required to be fulfilled before the date of Completion, all such conditions having been duly fulfilled;

- (c) written confirmation and/or consent from Century 21 Real Estate Corporation in a form and on terms (if any) reasonably satisfactory to the Company consenting to the Acquisition and waiving (i) any restriction or prohibition under the Subfranchise Agreement in relation to any change of control in the Target Company arising from the transactions under the S&P Agreement, or (ii) any right to terminate the Subfranchise Agreement in relation to such a change of control; and
- (d) the satisfactory outcome of the Company's due diligence exercise on the Target Group in respect of legal, financial and taxation matters.

Completion of the Acquisition will take place on the date falling not more than fourteen (14) business days after all the Conditions Precedent are fulfilled or waived by the Company or the Vendor (as the case may be) in accordance with the terms of the S&P Agreement.

If the Conditions Precedent shall not have been fulfilled or waived by the Company or the Vendor (as the case may be) by the date falling six (6) months from the date of the S&P Agreement (or such date as the Company and the Vendor may agree in writing) (the "**Long-Stop Date**"), the S&P Agreement shall cease and determine, and the Company shall have no further obligation to issue the Consideration Shares to the Vendor or its nominee.

3.4 Value of the Sale Shares

In this paragraph 3.4, the exchange rate of HK\$2.17: RM1 as at 6 May 2015 (*Source: The Business Times*) has been used.

3.4.1 Book Value/Net Tangible Assets Value

Based on the unaudited consolidated financial statements of the Target Group for the financial year ended 31 December 2014 (the "**Target Financial Statements**"), the Sale Shares have a book value and net tangible assets value of approximately HK\$4,106,000 which is equivalent to approximately RM1,892,000.

3.4.2 Net Profits

Based on the Target Financial Statements, the profit before income tax, minority interests and extraordinary items attributable to the Sale Shares is approximately HK\$141,000 which is equivalent to approximately RM65,000.

3.5 Service Contracts

There are no persons proposed to be appointed as directors of the Company in connection with the Acquisition.

4. RATIONALE FOR THE ACQUISITION

The Board is of the view that the Acquisition is in the best interests of the Company and the shareholders of the Company as the Acquisition represents a good opportunity for the Company to enter into the real estate brokerage business at an attractive price amid a slowdown in the housing markets in Hong Kong and Macau.

5. FINANCIAL EFFECTS OF THE ACQUISITION

5.1 NTA per Share

For illustrative purposes only and assuming that the Acquisition had been completed on 30 June 2014, being the end of the most recently concluded financial year, being financial year ended 30 June 2014 (“FY2014”), the proforma financial effects on the consolidated NTA of the Company and its subsidiaries (the “Group”) for FY2014 will be as follows:

	Before the Acquisition	After the Acquisition
Consolidated NTA attributable to the shareholders of the Company (RM'000)	98,726	100,618
Number of shares (excluding treasury shares)	982,031	1,015,364
Consolidated NTA per share attributable to the shareholders of the Company (RM cents)	10	9.9

5.2 Earnings per Share (“EPS”)

For illustrative purposes only and assuming that the Acquisition had been completed on 1 July 2013, the proforma financial effects on the consolidated EPS of the Group for FY2014 will be as follows:

	Before the Acquisition	After the Acquisition
Loss attributable to the equity holders of the Company (RM'000)	(8,627)	(8,562)
Weighted average number of shares (excluding treasury shares)	433,733	467,066
Consolidated EPS (RM cents)	(2)	(1.8)

6. THE ACQUISITION AS A DISCLOSEABLE TRANSACTION

Based on the latest unaudited financial statements of the Group for the financial period ended 31 December 2014 (save as otherwise specified), the relative figures of the Acquisition computed on the bases set out in Rule 1006(a) to (e) of the SGX-ST’s Listing Manual Section B: Rules of Catalist (“Catalist Rules”) are as follows:

Rule 1006(a)	
Net value of the assets to be disposed of	Not applicable
Net asset value of the Group	Not applicable
Size of relative figure	Not applicable

Rule 1006(b)	
Net profits ⁽¹⁾ attributable to the acquired assets for the full financial year ended 31 December 2014	RM65,000 ⁽⁶⁾
Net profits of the Group for the full financial	(RM8,627,000)

year ended 30 June 2014 ⁽²⁾	
Size of relative figure	(0.75)%

Rule 1006(c)	
Aggregate value of consideration to be given ⁽³⁾	S\$1,114,413
Company's market capitalization as at 8 May 2015 ⁽⁴⁾ , being the last traded market day immediately preceding the date of the S&P Agreement	S\$38,807,513
Size of relative figure	2.9%

Rule 1006(d)	
Number of equity securities to be issued by the Company as consideration for an acquisition	33,333,333
Number of equity securities in issue ⁽⁵⁾	1,212,734,807
Size of relative figure	2.7%

Rule 1006(e)	
Aggregate volume or amount of proven and probable reserves to be disposed of	Not applicable
Aggregate of the Group's proven and probable reserves	Not applicable
Size of relative figure	Not applicable

Notes:

- (1) Under Rule 1002(3)(b) of the Catalist Rules, net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits figure as stated is in respect of the Target Group's full financial year ended 31 December 2014.
- (2) Under Rule 1002(3)(b) of the Catalist Rules, net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits figure used for comparison is that as announced for the Group's full financial year ended 30 June 2014 (instead of the latest announced consolidated net profits figure of the Group which is for only a period of 6 months ended 31 December 2014).
- (3) Under Rule 1003(3) of the Catalist Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher. As such, for the purpose of Rule 1006(c) of the Catalist Rules, the consideration for the Acquisition is deemed to be S\$1,114,413, which is the net asset value represented by the Consideration Shares based on the latest unaudited financial statements of the Group for the financial period ended 31 December 2014.
- (4) The market capitalisation of S\$38,807,513 is derived from the VWAP of S\$0.032 per Share as at 8 May 2015, being the last traded market day immediately preceding the date of the S&P Agreement (*Source: Bloomberg*).
- (5) Based on issued share capital of 1,212,734,807 shares as at the date of this Announcement.
- (6) The net profit of the Target Group was converted into RM using exchange rate of HK\$1 = RM0.461.

The Board notes that the relative figures computed on the bases set out in Rule 1006(a) to (e) of the Catalist Rules are less than 5%. Accordingly, the Acquisition constitutes a “Non-Discloseable Transaction” as defined under Chapter 10 of the Catalist Rules.

However, as the Acquisition will result in the Company entering into a new business sector, it will be subject to the approval of shareholders of the Company at an extraordinary general meeting to be convened. In connection with the above, the Company will convene an extraordinary general meeting to seek shareholders’ approval on the Company’s business diversification as well as the allotment and issuance of the Consideration Shares with regards to the Acquisition.

7. EXTRAORDINARY GENERAL MEETING

The circular to shareholders setting out information on the Acquisition together with a notice of the extraordinary general meeting to be convened will be despatched to shareholders in due course.

8. ADDITIONAL LISTING APPLICATION

The Company will be submitting an application to the Sponsor for the listing and quotation of the Consideration Shares on Catalist. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Consideration Shares has been obtained from the SGX-ST and/or the Sponsor (as the case may be).

9. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors (other than in his capacity as a Director or shareholder of the Company) or controlling shareholders of the Company (other than through their respective shareholdings in the Company) has any interest, direct or indirect in the Acquisition.

10. DOCUMENT FOR INSPECTION

A copy of the S&P Agreement will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this Announcement.

11. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have been delegated supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (save for information relating to the Vendor, the Target Company and the Target Group) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed in this Announcement are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading in any material respect.

**BY ORDER OF THE BOARD
ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED**

Dato' Dr Choo Yeow Ming
Chief Executive Officer
11 May 2015

*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 SGX-ST and the SGX-ST 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.

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