



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

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

PROPOSED RENOUNCEABLE PARTIALLY-UNDERWRITTEN (FULLY-UNDERWRITTEN IF BASED ON EXISTING SHARE CAPITAL) RIGHTS ISSUE OF UP TO 14,537,002,596 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 partially-underwritten, fully-underwritten if based on Existing Share Capital (as defined below), rights issue (the “**Rights cum Warrants Issue**”) of up to 14,537,002,596 new ordinary shares of the Company (the “**Shares**”) with up to 14,537,002,596 free detachable warrants (the “**Warrants**”), on the basis of two (2) 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.

The Rights cum Warrants Issue is subject to, *inter alia*, the approval of the Shareholders, which will be sought at the extraordinary general meeting of the Company (the “**EGM**”) to be convened. A circular (the “**Circular**”) to Shareholders containing further information on the Rights cum Warrants Issue, together with the notice of the EGM, will be despatched to Shareholders in due course.

In connection with the above, the Company has appointed UOB Kay Hian Private Limited (“**UOBKH**”) as the underwriter to partially-underwrite the Rights cum Warrants Issue. The Rights cum Warrants Issue will be underwritten by UOBKH pursuant to an underwriting agreement dated 12 September 2017 entered into between the Company and UOBKH (the “**Underwriting Agreement**”).

2. DETAILS OF RIGHTS CUM WARRANTS ISSUE

2.1 Terms of Rights cum Warrants Issue

The Company is offering up to 14,537,002,596 new Shares (the “**Rights Shares**”) at an issue price of S\$0.003 per Rights Share (the “**Issue Price**”), and up to 14,537,002,596 Warrants, with each Warrant carrying the right to subscribe for one (1) new Share (the “**Warrant Share**”) at the exercise price of S\$0.003 per Warrant Share (the “**Exercise Price**”), on the basis of two (2) 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 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 are payable in full upon acceptance and application by Entitled Shareholders. The Rights Shares 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. 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 SGX-ST under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on the Catalist of the SGX-ST, which is 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.

The Company shall, not later than one (1) month before the expiry of the Exercise Period (the “**Expiry Date**”), announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall, not later than one (1) month before the Expiry Date, take reasonable steps to notify all holders of the Warrants in writing of the Expiry Date, and such notice shall be delivered by post to the address of the relevant holders of the Warrant(s).

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 3,892,649,864 Shares (the “**Existing Share Capital**”), and there are 3,375,851,434 outstanding warrants issued by the Company 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 7,268,501,298 Shares.

Based on the Existing Share Capital and assuming that:

- (a) none of the Relevant Warrants are exercised on or prior to the Books Closure Date;
- (b) none of the Entitled Shareholders subscribes for the Rights Shares; and
- (c) Mr. Oei Hong Leong (“**Mr. Oei**”) subscribes for the Underwritten Rights Shares (as defined below) in full,

(collectively, referred to as the “**Minimum Subscription Scenario**”),

the Company will issue 7,785,299,728 Rights Shares and 7,785,299,728 Warrants 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,

(collectively, referred to as the “**Maximum Subscription Scenario**”),

the Company will issue 14,537,002,596 Rights Shares and 14,537,002,596 Warrants under the Rights cum Warrants Issue.

2.4 Issue Price and Exercise Price

The Issue Price of S\$0.003 per Rights Share and Exercise Price of S\$0.003 per Warrant Share represent a discount of approximately 25% to the last traded price of S\$0.004 for Shares traded on the SGX-ST on 30 August 2017, being the full market day immediately preceding this announcement on which Shares were traded on the Catalist of the SGX-ST.

2.5 Further Information

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. **UNDERWRITING AND SUB-UNDERWRITING**

3.1 Underwriting

Pursuant to the Underwriting Agreement, UOBKH, as the underwriter of the Rights cum Warrants Issue, has agreed to underwrite up to 7,785,299,728 Rights Shares (the “**Underwritten Rights Shares**”). Pursuant to the Underwriting Agreement, the Company will pay UOBKH an underwriting commission of approximately S\$583,897, representing 2.5% of the Issue Price multiplied by the Underwritten Rights Shares (the “**Underwriting Commission**”).

3.2 Sub-underwriting

In connection with the foregoing, UOBKH has also entered into a sub-underwriting agreement with Mr. Oei, pursuant to which Mr. Oei has undertaken to subscribe for the Underwritten Rights Shares to the extent that such Underwritten Rights Shares are not successfully subscribed for under the Rights Issue (the “**Sub-underwriting Commitment**”).

Pursuant to the Sub-underwriting Commitment, UOBKH will pay to Mr. Oei a sub-underwriting commission of approximately S\$233,559, representing 1.0% of the Issue Price multiplied by the Underwritten Rights Shares (the “**Sub-underwriting Commission**”). For the avoidance of doubt, the Sub-underwriting Commission will be paid by UOBKH to Mr Oei out of its Underwriting Commission and will not lead to any additional cost to the Company.

As at the date of this announcement, Mr. Oei does not own any Shares. Mr. Oei is a Singaporean businessman with interests in a range of industries including property development and property holding. Mr. Oei is the Chairman of, among others, Oei Hong Leong Foundation Pte. Ltd., Oei Hong Leong Art Museum Limited and Canadian Metropolitan Properties Corporation.

Mr. Oei is not a related party or an affiliate or associate of any director or substantial shareholder of the Company.

The Sub-underwriting Commitment is conditional upon, *inter alia*, the following:

- (a) the Whitewash Waiver (as defined below) having been granted by the Securities Industry Council (“**SIC**”) and not having been withdrawn or revoked as at the date of completion of the Rights cum Warrants Issue;
- (b) the approval of the Shareholders for the Rights cum Warrants Issue being obtained at the EGM to be convened;
- (c) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, the Warrants, the Warrant Shares, the Adjustment Warrants (as defined below) and the Adjustment Warrant Shares (as defined below) on the Catalist of the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue) and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (d) the Whitewash Resolution (as defined below) being approved by the Shareholders that are independent of Mr. Oei (the “**Independent Shareholders**”);
- (e) the Possible Transfer of Controlling Interest (as defined below) being approved by the Shareholders at the EGM to be convened; and
- (f) the lodgement of the Offer Information Statement and all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue with the SGX-ST (acting as agent of the Monetary Authority of Singapore).

3.3 Illustrative shareholding effects of the Rights cum Warrants Issue

For illustrative purposes only, depending on the level of subscription of the Rights cum Warrants Issue, the shareholdings of Mr. Oei after the completion of the Rights cum Warrants Issue is set out below:

- (a) Based on the Minimum Subscription Scenario:
 - (i) Mr. Oei will have an interest in approximately 66.67% of the enlarged issued share capital of the Company immediately upon the issue of the Rights Shares; and
 - (ii) upon completion of the Rights cum Warrants Issue, further assuming that Mr. Oei exercises all of his Warrants, Mr. Oei will have a shareholding interest in approximately 80.00% of the enlarged issued share capital of the Company upon such issue of Warrant Shares.
- (b) Based on the Maximum Subscription Scenario, Mr. Oei will not hold any Shares and/or Warrants upon completion of the Rights cum Warrants Issue.

3.4 Further Announcements

The Company will make further announcements upon the execution of the definitive underwriting agreement and the sub-underwriting agreement.

4. **WHITEWASH WAIVER**

4.1 Rule 14 of the Code

Under Rule 14.1 of the Singapore Code on Take-overs and Mergers ("**Code**"), except with the consent of the SIC, where:-

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares ("**Mandatory Offer**"). In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend a Mandatory Offer.

As at the date of this announcement, Mr. Oei does not hold any Shares. The Underwritten Rights Shares that may be issued to Mr. Oei pursuant to the Sub-underwriting Commitment may result in an obligation on the part of Mr. Oei and the parties acting in concert with him to make a Mandatory Offer, unless Independent Shareholders approve at an EGM to be convened a resolution to waive their rights to receive a Mandatory Offer from Mr. Oei and the parties acting in concert with him (the "**Whitewash Resolution**").

4.2 SIC Application

The Company will be submitting an application to the SIC to seek a waiver of the obligations of Mr. Oei and his concert parties to make a Mandatory Offer as a result of Mr. Oei's obligations pursuant to the Sub-underwriting Commitment (the "**Whitewash Waiver**").

5. **POSSIBLE TRANSFER OF CONTROLLING INTEREST**

As the subscription by Mr. Oei of the Underwritten Rights Shares may result in his aggregate voting rights crossing 15% in the entire enlarged share capital of the Company, Shareholders' approval will be sought at the EGM pursuant to Rule 803 of the SGX-ST Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") in view of the possible transfer of a controlling interest in the Company to Mr. Oei (the "**Possible Transfer of Controlling Interest**").

6. **RATIONALE FOR THE RIGHTS CUM WARRANTS ISSUE**

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 fund the Company's proposed expansion in the new business of real estate development in the PRC, as well as for general working capital purposes.

7. USE OF PROCEEDS

7.1 Assuming none of the Warrants that are issued pursuant to the Rights cum Warrants Issue are exercised:

- (a) in the event of the Maximum Subscription Scenario, the Rights cum Warrants Issue will raise approximately S\$43.61 million, and after deducting estimated expenses of approximately S\$0.95 million, will amount to approximately S\$42.66 million; and
- (b) in the event of the Minimum Subscription Scenario, the Rights cum Warrants Issue will raise approximately S\$23.36 million, and after deducting estimated expenses of approximately S\$0.95 million, will amount to approximately S\$22.41 million.

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 Net Proceeds	Percentage of Net Proceeds (%)
To fund the proposed expansion in the Company's proposed new business of real estate development	70 – 90
Working capital purposes	10 – 30
Total	100

The additional proceeds arising from the exercise of all of the Warrants in the Maximum Subscription Scenario is approximately S\$43.61 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.

The Directors are of the opinion that:

- (i) after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the reasons for undertaking the Rights cum Warrants Issue are set out in paragraph 6 of this announcement; and
- (ii) 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.

8. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE

8.1 The Rights cum Warrants Issue is proposed to all the “**Entitled Shareholders**”, comprising Entitled Depositors and Entitled Scripholders (both as defined below).

8.2 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 9 North Buona Vista Drive, #1-19/20 The Metropolis, Singapore 138588, 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.

8.3 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 Scripholders’ 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 8 Robinson Road #03-00 ASO Building Singapore 04854463, 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.

8.4 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.

8.5 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 Foreign Shareholders, 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.

9. **ADJUSTMENTS TO WARRANTS**

As a result of the Rights cum Warrants Issue, adjustments will be made to the number and/or exercise price of the Relevant Warrants of the Company.

9.1 Adjustment to 2013 Warrants

The Company had on 17 July 2013 issued 34,670,447 warrants (the “**2013 Warrants**”), each warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S\$0.05 for each new share, pursuant to a rights cum warrants issue (the “**2013 Rights cum Warrants Issue**”). The 2013 Warrants are currently listed on the Catalist under the counter “W180716” and are subject to the terms and conditions set out in the deed poll dated 14 June 2013 as amended and supplemented by the supplemental deed poll dated 10 March 2014 (“**2013 Deed Poll**”).

As a result of the Company’s renounceable rights cum warrants issue announced on 27 November 2013 and pursuant to the 2013 Deed Poll, adjustments were made to the 2013 Warrants such that:

- (a) an additional 3,572,631 warrants were issued to then existing holders of the 2013 Warrants such that the number of additional warrants issued was calculated on the

basis of 3.1346 warrants for every 1 existing 2013 Warrant held by each warrant holder as at the relevant books closure date, fractional entitlements to be disregarded; and

- (b) the exercise price of each 2013 Warrant was adjusted from S\$0.05 to S\$0.01.

As a result of the Company's renounceable rights cum warrants issue announced on 29 June 2015 and pursuant to the 2013 Deed Poll, further adjustments were made to the 2013 Warrants such that:

- (i) an additional 6,227,268 warrants were issued to then existing holders of the 2013 Warrants such that the number of additional warrants issued was calculated on the basis of 1.4375 warrants for every 1 existing 2013 Warrant held by each warrant holder as at the relevant books closure date, fractional entitlements to be disregarded; and
- (ii) the exercise price of each 2013 Warrant was unchanged at S\$0.01.

As a result of the Rights cum Warrants Issue and pursuant to the 2013 Deed Poll, the Company is required to make adjustments to the number as well as the exercise price of the 2013 Warrants (the "**2013 Warrants Adjustments**"). As at the date of this announcement, there are 10,559,328 outstanding, unexercised 2013 Warrants. Taking into account the conditions set out in the 2013 Deed Poll, the number of 2013 Warrants will be increased from 10,559,328 to a maximum of 14,078,752 warrants, representing an increase of a maximum of 3,519,424 warrants ("**Adjustment 2013 Warrants**") and the 2013 Warrants Adjustments are as follows:

- (A) the exercise price of each 2013 Warrant will be unchanged at S\$0.01;
- (B) entitled warrant holders will be entitled to 0.3333 Adjustment 2013 Warrants for every one (1) existing 2013 Warrant held, fractional entitlements to be disregarded; and
- (C) each Adjustment 2013 Warrant will carry the right to subscribe for one (1) new ordinary share in the capital of the Company ("**Adjustment 2013 Warrant Share(s)**").

The 2013 Warrants Adjustments are subject to certification by the Company's auditors as required by the terms of the 2013 Deed Poll. The 2013 Warrants Adjustments as set out above will change depending on the actual number of outstanding, unexercised 2013 Warrants on the books closure date for the 2013 Warrants Adjustments.

The issue of the Adjustment 2013 Warrants and the Adjustment 2013 Warrant Shares will be undertaken pursuant to the specific mandate granted by Shareholders at the extraordinary general meeting of the Company held on 31 March 2014.

The 2013 Warrants and the Adjustment 2013 Warrants, when issued, will expire on 16 July 2018.

9.2 Adjustment to 2014 Warrants

The Company had on 7 May 2014 issued 715,210,185 warrants (the "**2014 Warrants**"), each warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the

Company at an exercise price of S\$0.02 for each new share, pursuant to a rights cum warrants issue (the “**2014 Rights cum Warrants Issue**”). The 2014 Warrants are currently listed on the Catalist under the counter “W190506” and are subject to the terms and conditions set out in the deed poll dated 3 April 2014 (“**2014 Deed Poll**”).

As a result of the Company’s renounceable rights cum warrants issue announced on 29 June 2015 and pursuant to the 2014 Deed Poll, adjustments were made to the 2014 Warrants such that:

- (a) an additional 456,038,343 warrants were issued to then existing holders of the 2014 Warrants such that the number of additional warrants issued was calculated on the basis of 1.4375 warrants for every 1 existing 2014 Warrant held by each warrant holder as at the relevant books closure date, fractional entitlements to be disregarded; and
- (b) the exercise price of each 2014 Warrant was adjusted from S\$0.02 to S\$0.01.

As a result of the Rights cum Warrants Issue and pursuant to the 2014 Deed Poll, the Company is required to make adjustments to the number as well as the exercise price of the 2014 Warrants (the “**2014 Warrants Adjustments**”). As at the date of this announcement, there are 773,282,530 outstanding, unexercised 2014 Warrants. Taking into account the conditions set out in the 2014 Deed Poll, the number of 2014 Warrants will be increased from 773,282,530 to a maximum of 1,031,017,597 warrants, representing an increase of a maximum of 257,735,067 warrants (“**Adjustment 2014 Warrants**”) and the 2014 Warrants Adjustments are as follows:

- (i) the exercise price of each 2014 Warrant will be unchanged at S\$0.01;
- (ii) entitled warrant holders will be entitled to 0.3333 Adjustment 2014 Warrants for every one (1) existing 2014 Warrant held, fractional entitlements to be disregarded; and
- (iii) each Adjustment 2014 Warrant will carry the right to subscribe for one (1) new ordinary share in the capital of the Company (“**Adjustment 2014 Warrant Share(s)**”).

The 2014 Warrants Adjustments are subject to certification by the Company’s auditors as required by the terms of the 2014 Deed Poll. The 2014 Warrants Adjustments as set out above will change depending on the actual number of outstanding, unexercised 2014 Warrants on the books closure date for the 2014 Warrants Adjustments.

The issue of the Adjustment 2014 Warrants and the Adjustment 2014 Warrant Shares will be undertaken pursuant to the specific mandate granted by Shareholders at the extraordinary general meeting of the Company held on 31 March 2014.

The 2014 Warrants and the Adjustment 2014 Warrants, when issued, will expire on 6 May 2019.

9.3 Adjustment to 2015 Warrants

The Company had on 20 November 2015 issued 2,593,863,776 warrants (the “**2015 Warrants**”), each warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S\$0.005 for each new share, pursuant to a

rights cum warrants issue (the “**2015 Rights cum Warrants Issue**”). The 2015 Warrants are currently listed on the Catalist under the counter “W201119” and are subject to the terms and conditions set out in the deed poll dated 20 October 2015 (“**2015 Deed Poll**”).

As a result of the Rights cum Warrants Issue and pursuant to the 2015 Deed Poll, the Company is required to make adjustments to the number as well as the exercise price of the 2015 Warrants (the “**2015 Warrants Adjustments**”). As at the date of this announcement, there are 2,592,009,576 outstanding, unexercised 2015 Warrants. Taking into account the conditions set out in the 2015 Deed Poll, the number of 2015 Warrants will be increased from 2,592,009,576 to a maximum of 3,455,926,367 warrants, representing an increase of a maximum of 863,916,791 warrants (“**Adjustment 2015 Warrants**”) and the 2015 Warrants Adjustments are as follows:

- (a) the exercise price of each 2015 Warrant will be adjusted from S\$0.005 to S\$0.004;
- (b) entitled warrant holders will be entitled to 0.3333 Adjustment 2015 Warrants for every one (1) existing 2015 Warrant held, fractional entitlements to be disregarded; and
- (c) each Adjustment 2015 Warrant will carry the right to subscribe for one (1) new ordinary share in the capital of the Company (“**Adjustment 2015 Warrant Share(s)**”).

The 2015 Warrants Adjustments are subject to certification by the Company’s auditors as required by the terms of the 2015 Deed Poll. The 2015 Warrants Adjustments as set out above will change depending on the actual number of outstanding, unexercised 2015 Warrants on the books closure date for the 2015 Warrants Adjustments.

The issue of the Adjustment 2015 Warrants and the Adjustment 2015 Warrant Shares will be undertaken pursuant to the specific mandate granted by Shareholders at the extraordinary general meeting of the Company held on 15 October 2015.

The 2015 Warrants and the Adjustment 2015 Warrants, when issued, will expire on 19 November 2020.

The Adjustment 2013 Warrants, the Adjustment 2014 Warrants and the Adjustment 2015 Warrants shall be collectively known as the Adjustment Warrants.

The Adjustment 2013 Warrant Shares, the Adjustment 2014 Warrant Shares and the Adjustment 2015 Warrant Shares shall be collectively known as the Adjustment Warrant Shares.

10. APPROVALS

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

- (a) the Whitewash Waiver having been granted by the SIC and not having been withdrawn or revoked as at the date of completion of the Rights cum Warrants Issue;
- (b) the approval of the Shareholders for the Rights cum Warrants Issue being obtained at the EGM to be convened;

- (c) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, the Warrants, the Warrant Shares, the Adjustment Warrants and the Adjustment Warrant Shares on the Catalist of the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue) and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
 - (d) the Whitewash Resolution being approved by the Independent Shareholders;
 - (e) the Possible Transfer of Controlling Interest being approved by the Shareholders at the EGM to be convened;
 - (f) the lodgement of the Offer Information Statement and all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue with the SGX-ST (acting as agent of the Monetary Authority of Singapore); and
 - (g) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights cum Warrants Issue and to give effect to the Rights cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Rights cum Warrants Issue.
- 10.2 The Company will be making an application to the SGX-ST through its continuing sponsor, Stamford Corporate Services Pte Ltd, for the permission to deal in and for the listing and quotation of the Rights Shares, the Warrants, the Warrant Shares, the Adjustment Warrants and the Adjustment Warrant Shares on Catalist. An appropriate announcement on the outcome of such application will be made in due course.
- 10.3 The 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.

11. 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.

12. 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 announcement in its proper form and context.

13. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The Rights cum Warrants Issue is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Rights cum Warrants Issue will materialise or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

14. FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company in relation to the Rights cum Warrants Issue as and when appropriate.

BY ORDER OF THE BOARD

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

12 September 2017

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 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 statements or opinions made or reports contained in this announcement.

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