

**ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200609901H)

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**ENTRY INTO A NON-BINDING FRAMEWORK AGREEMENT**

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**1. INTRODUCTION**

- 1.1 The Board of Directors (the “**Board**”) of Asia-Pacific Strategic Investments Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 31 December 2021, entered into a non-binding framework agreement (the “**Framework Agreement**”) with Bluetown The Spring Blossom Construction Group Co., Ltd (蓝城桃李春风建设集团有限公司) (the “**Purchaser**”) in relation to the disposal of the Company’s equity interests in the subsidiaries in the People’s Republic of China (the “**PRC**”), Huzhou Dixi Gengdu Ecological Agriculture Development Co., Ltd (湖州荻溪耕读生态农业发展有限公司, the “**Huzhou Agriculture**”) and Zhongfang Lianhe Grand Canal Cultural Tourism Group Co., Ltd (中房联合大运河文化旅游集团有限公司, the “**Grand Canal Group**”) (the “**Target**”) (the “**Proposed Disposal**”).
- 1.2 The Company currently owns 72% and 78.2% of equity interests in Huzhou Agriculture and Grand Canal Group respectively.
- 1.3 The Proposed Disposal, if undertaken and completed, is expected to constitute a “major transaction” under Chapter 10 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”). The relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules and the financial effects of the Proposed Disposal will be set out in the announcement in relation to the signing of the Sale and Purchase Agreement (as hereinafter defined), should the Proposed Disposal proceed to fruition.
- 1.4 Accordingly, the Proposed Disposal, if undertaken, is subject to the approval of shareholders of the Company (the “**Shareholders**”) by way of an ordinary resolution at an extraordinary general meeting to be convened. Shareholders should note that the Framework Agreement is not intended to be legally binding between the Company and the Purchaser, except for certain provisions relating to, *inter alia*, exclusivity and confidentiality. Subject to, *inter alia*, satisfactory commercial, tax, financial, and legal due diligence, the Company and the Purchaser (collectively, the “**Parties**”) shall enter into definitive agreements, including the sale and purchase agreement for the sale and purchase of the 100% of the entire equity interests of the Target (the “**Sale and Purchase Agreement**”).

**2. INFORMATION ON THE PURCHASER**

*The information on the Purchaser provided below is provided by the Purchaser. The Board has not conducted an independent review or verification of the accuracy of the statements and information below.*

- 2.1 The Purchaser is incorporated in the PRC and is a subsidiary of Bluetown Group (蓝城集团). The principal activities of the Purchaser is that of real estate developer.

- 2.2 Bluetown Group is a leading property developer in the PRC. The Chairman of Bluetown Group is Mr. Song Wei Ping (宋卫平). Mr. Song was the founder and Co-Chairman of Greentown China Holding Limited (绿城中国控股有限公司), a company listed in the Hong Kong Stock Exchange.

### 3. INFORMATION ON THE TARGET

The Target owns and operates a 113-room hotel, Anatole by Landison Hotel, in Huzhou, Zhejiang Province. The Target also leases 320 hectares of agriculture land in Huzhou (the “**Agriculture Land**”) and plans to convert 62 hectares of the agriculture land into a development land for the development of an integrated project named Project Phoenix. The Agriculture Land has an initial lease term to expire on 31 December 2028. The lease term is renewable up to 31 December 2062.

### 4. PRINCIPAL TERMS AND CONDITIONS OF THE FRAMEWORK AGREEMENT

- 4.1 The Parties shall negotiate in good faith with a view towards signing of the Sale and Purchase Agreement within six (6) months from the signing of the Framework Agreement or such other date as may be agreed in writing by the Parties.
- 4.2 Within 6 months from the signing of the Framework Agreement, the Company shall obtain 100% equity interests of the Target and the Target shall obtain at least 400 mu (approximately 26.67 hectares) of Project Phoenix land use rights for residential development.
- 4.3 The aggregate consideration for the 100% equity interest in the Target is RMB300,000,000 (the “**Consideration**”). The Consideration was arrived at on a willing-buyer-willing-seller basis.
- 4.4 Prior to the completion of the Proposed Disposal, the Company is responsible to settle all debts of the Target, including bank borrowings, inter-companies loans and borrowings and related interest expenses and any other significant debts occurred before the signing of the Sale and Purchase Agreement.
- 4.5 Two (2) months prior to the signing of the Sale and Purchase Agreement, the Parties will arrange and commence legal and financial due diligence on the Target and its assets. The legal and financial due diligence shall be completed before the signing of the Sale and Purchase Agreement.
- 4.6 Upon the signing of the Sale and Purchase Agreement, the Purchaser shall deposit RMB30,000,000 into a bank account jointly operated by the Parties. The Consideration is payable in installments in accordance to the timeline when the Target would obtain the 400 mu of residential land.

### 5. RATIONALE FOR THE PROPOSED DISPOSAL AND BUSINESS PLANS

- 5.1 The Proposed Disposal will allow the Group to unlock the value of the assets in the Target and re-strategise its financial and capital resources. With the net proceeds, the Group will have more working capital to fund and diversify its Agriculture Business (as defined below) and undertake new real estate projects and other opportunities that may arise in the future.
- 5.2 Prior to entering into the Framework Agreement, the Group has commenced preliminary assessment to undertake certain agriculture activities on the Agriculture Land (“**Agricultural Business**”). Notwithstanding the Proposed Disposal, the Group has earmarked approximately

1,100 mu (approximately 73.3 hectares) of the Agriculture Land for Group's continued use to carry out the Agricultural Business. It is the intention of the Group to diversify into the Agricultural Business activities while it continues to explore other real estate projects and other opportunities and will seek the approval of the shareholders at an extraordinary general meeting to be convened for the diversification into new Agricultural Business.

- 5.3 In the event that the Proposed Disposal materialises, the Group will be invested in agriculture related assets such as infrastructure, tools and equipment for carrying out the new Agricultural Business activities and as such, it is currently not envisaged that the Company would be deemed to be a Cash Company as defined under Rule 1017 of the Catalist Rules.**

## **6. FURTHER ANNOUNCEMENTS**

The Company will make an announcement disclosing further details of the Proposed Disposal upon execution of the Sale and Purchase Agreement and will make appropriate update announcement(s) on the Proposed Disposal at the relevant time.

## **7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

As at the date of this announcement, save for their shareholdings in the Company, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

## **8. CAUTION IN TRADING**

**Shareholders and potential investors are advised to exercise caution in trading the shares in the Company as there is no certainty or assurance as at the date of this announcement that the Sale and Purchase Agreement will be entered into, the terms and conditions of the Proposed Disposal will not differ from that set out in the Framework Agreement, or the Proposed Disposal will be undertaken at all.**

**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 stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

## **BY ORDER OF THE BOARD**

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

5 January 2022

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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. Shervyn Essex, 16 Collyer Quay #10-00 Income at Raffles Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).*