

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

- I. **ENTRY INTO AN AGREEMENT TO ACQUIRE AN EXCLUSIVE CASINO LICENSE IN TIMOR-LESTE;**
 - II. **ENTRY INTO AN AGREEMENT IN RELATION TO THE SETTING UP OF A BANK IN TIMOR-LESTE;**
 - III. **PROPOSED DIVERSIFICATION OF BUSINESS INTO THE NEW BUSINESSES; AND**
 - IV. **ENTRY INTO A TERM SHEET FOR THE ISSUANCE OF CONVERTIBLE BONDS**
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1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Asia-Pacific Strategic Investments Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that:

(a) the Company has on 8 February 2025, signed two cooperation agreements with the Vice Prime Minister, Coordinating Minister for Economic Affairs, Minister of Tourism and Environment, Timor-Leste (the “**Government of Timor-Leste**”) as follows:

- (i) Cooperation agreement to acquire an exclusive casino license in Timor-Leste (the “**Casino Cooperation Agreement**”) (the “**Proposed New Casino Business**”); and
- (ii) Cooperation agreement in relation to the setting up of a bank (the “**Bank**”) in Timor-Leste (the “**Banking Cooperation Agreement**”) with Banco Nacional de Comercio de Timor-Leste wherein, the Company will hold a sixty percent (60%) shareholding in the Bank (the “**Proposed New Banking Business**”).

(collectively, the Proposed New Casino Business and the Proposed New Banking Business are referred to as the “**Proposed New Businesses**”).

In view of the foregoing, the Company is required to seek the approval of the shareholders of the Company (“**Shareholders**”) for the proposed diversification of its existing core business to include the Proposed New Businesses. Please refer to paragraph 4 of this announcement for further details.

(b) subsequent to entering into the Casino Cooperation Agreement and Banking Cooperation Agreement, the Company has on 11 February 2025, signed a term sheet (the “**Term Sheet**”) with Mr Oei Hong Leong (“**Mr Oei**”), the controlling shareholder of the Company, for Mr Oei and his consortium, to subscribe for the convertible bonds of up to USD100 million (the “**Convertible Bonds**”) (the “**Proposed Issuance of Convertible Bonds**”).

2. PROPOSED NEW CASINO BUSINESS

2.1 Principal Terms and Conditions of the Casino Cooperation Agreement

- (a) The purpose of the Casino Cooperation Agreement is to outline the mutual understanding and intentions of the parties for developing tourism in Timor-Leste and to create employment as well as ancillary business opportunities to its people while contributing to economic development in Timor-Leste.
- (b) In accordance with the terms and conditions of the Casino Cooperation Agreement, the Company and its consortium shall:
 - (i) Build a 5-star hotel including a respectable, high security, law abiding casino;
 - (ii) Develop strategic plans to promote marketing for international customers for hotel and casino; and
 - (iii) Propose strategic plans to promote tourism in other disciplines such as seaports, scenery, whale/dolphin/crocodile watching, yachting and scuba diving.
- (c) The Government of Timor-Leste shall:
 - (i) Issue exclusive license for development of a 5-start hotel and casino with conditions;
 - (ii) Support the Company and its staff in obtaining necessary permits and regulatory approvals;
 - (iii) Coordinate with government agencies to ensure smooth operations; and
 - (iv) To facilitate and support the casino security.

2.2 Following the execution of the Casino Cooperation Agreement, the parties agree to work together to negotiate and execute a definitive agreement (the “**Casino Definitive Agreement**”) within three (3) months. The Casino Definitive Agreement shall include:

- (a) A business plan detailing the number of gaming tables, hotel rooms and other amenities;
- (b) Plan for tourism;
- (c) Plan for transportation; and
- (d) The Company shall be responsible for the strategic advancement, development, and operation of the hotel and casino, while the Government of Timor-Leste shall ensure compliance with applicable laws and regulations.

2.3 The Casino Cooperation Agreement shall remain in effect for a period of six (6) months from the date of signing, or until the Casino Definitive Agreement is executed, whichever is earlier.

2.4 Either party may terminate the Casino Cooperation Agreement with thirty (30) days’ written notice to the other party.

3. PROPOSED NEW BANKING BUSINESS

3.1 Principal Terms and Conditions of the Banking Cooperation Agreement

- (a) The purpose of the Banking Cooperation Agreement is to outline the mutual understanding and intentions of the parties for developing the Bank to enhance their functionality in various financial sectors and commercial viability, while contributing to economic development in Timor-Leste.
- (b) In accordance with the terms and conditions of the Banking Cooperation Agreement, the Company and its consortium shall:
 - (i) Supervise the day-to-day operations and maintenance of the Bank;
 - (ii) Develop and implement operational procedures to ensure efficiency and regulatory compliance;
 - (iii) Manage the Bank staff, contractors, and service providers;
 - (iv) Enhance the Bank customers experience and establish customer service standards;
 - (v) Commercially develop the financial services and asset management businesses;
 - (vi) Develop strategic plans to establish the Bank for local and international customers; and
 - (vii) Propose plans for the establishment of an asset management business.
- (c) The Government of Timor-Leste shall:
 - (i) Provide full access to enable the Company to perform a due diligence on the Bank;
 - (ii) Support the Company in obtaining necessary permits, licenses, and regulatory approvals; and
 - (iii) Coordinate with government agencies and stakeholders to ensure smooth operations.

3.2 Following the execution of the Banking Cooperation Agreement, the parties agree to work together to negotiate and execute a definitive agreement (the “**Banking Definitive Agreement**”) within three (3) months. The Banking Definitive Agreement shall include:

- (a) A shareholders’ agreement and the conditions of the Bank’s board of directors to be negotiated in good faith, with consideration for the mutual benefit to both parties; and
- (b) The Company shall be responsible for the strategic advancement, development, and operation of the Bank, while the Government of Timor-Leste shall ensure compliance with applicable laws and regulations.

3.3 The Banking Cooperation Agreement shall remain in effect for a period of six (6) months from the date of signing, or until the Banking Definitive Agreement is executed, whichever is earlier.

3.4 Either party may terminate the Banking Cooperation Agreement with thirty (30) days’ written notice to the other party.

4. **PROPOSED DIVERSIFICATION OF BUSINESS INTO THE NEW BUSINESSES**

- 4.1 The Proposed New Businesses represents the Group's potential entry into the financial and gaming sectors, subject to Shareholders' approval to be sought at an extraordinary general meeting to be convened.
- 4.2 The Company intends to seek Shareholders' approval for the expansion of its existing diversification mandate to broaden the Group's scope of businesses beyond its existing core business of real estate development focusing on the hospitality sector and retirement villages, to include the Proposed New Businesses (the "**Proposed Diversification**"). Further details will be provided in a circular to Shareholders in due course, subject to any unforeseen circumstances.

5. PROPOSED ISSUANCE OF CONVERTIBLE BONDS

- 5.1 The Company has decided to undertake the Proposed Issuance of Convertible Bonds to meet the funding requirements of the Proposed New Businesses, which are currently under development and are intended to be utilised for the purposes as outlined in paragraph 5.5 below.
- 5.2 The principal terms and conditions of the Convertible Bonds is as follows:

Issue size	USD100,000,000
Issue date	To be determined depending on the progress of obtaining the relevant licenses for the Proposed New Businesses
Maturity date	Five (5) years from the issue date.
Interest rate (Coupon)	3% per annum, payable annually in arrears. Interest may be paid in cash or accrued and paid upon conversion/maturity.
Subscriber(s)	Mr Oei and his consortium
Use of proceeds	The proceeds from the Convertible Bonds will be used for the funding requirements of the Company's casino and banking businesses in Timor-Leste and for general working capital purposes.
Conversion rights	Bondholders may convert all or part of the Convertible Bonds into new ordinary shares (the " Conversion Shares ") of the Company at any time from issuance. The conversion price shall be fixed at S\$0.002 per share (the " Conversion Price ").
Transferability	The Convertible Bonds shall be freely transferable to third parties, subject to the Company's consent, except where such transfer may result in a new controlling shareholder arising from the conversion shall be subject to Shareholders' approval prior to the transfer.
Validity of the Term Sheet	The terms and conditions of the Term Sheet shall be valid and effective for six (6) months from the

	date of signing or such other date as the Company and Mr Oei may agree in writing.
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The Company and Mr Oei will further negotiate the terms and conditions of the Convertible Bonds with the objective to enter into a subscription agreement (the “**Subscription Agreement**”) and other related documents within six (6) months from the date of signing of this Term Sheet.

5.3 **Additional Listing Application**

The Company, through its sponsor, PrimePartners Corporate Finance Pte. Ltd., will be making an application to the SGX-ST for the listing of and quotation of the Conversion Shares on the Catalist of the SGX-ST in due course. The Company will make the necessary announcements upon receipt of the listing and quotation notice from the SGX-ST.

5.4 **Placement Agent**

As at the date of this announcement, no placement agent has been appointed or is to be appointed for the Proposed Issuance of Convertible Bonds

5.5 **Use of proceeds**

In the event the Proposed Issuance of Convertible Bonds proceeds, the estimated net proceeds from the Proposed Issuance of Convertible Bonds (after deducting estimated expenses relating thereto) will be approximately USD99,800,000 (the “**Net Proceeds**”).

The Company intends to utilise the Net Proceeds for the following purposes:

Proposed Use of Net Proceeds	Amount	% of Net Proceeds
To fund the Proposed New Casino Business	USD60,000,000	60%
To fund the Proposed new Banking Business	USD20,000,000	20%
To fund business expansion in Timor-Leste	USD10,000,000	10%
General working capital	USD9,800,000	10%
Total	USD99,800,000	100%

Pending the deployment of the Net Proceeds for the use(s) identified above, the Net Proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit from time to time.

The Company will make periodic announcements of the utilisation of the Net Proceeds from the Proposed Issuance of Convertible Bonds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and percentage allocated.

The Company will also provide a status report on the use of the proceeds in the Company’s interim and full year financial statements and the Company’s annual report. The Company will disclose a

breakdown with specific details on the use of proceeds for working capital in such announcements and annual reports. Where there is material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

5.5 Directors' Confirmation

As at the date of this announcement, the Directors are of the opinion that, after taking into consideration:

- (a) the Group's present bank facilities, the Group has sufficient working capital to meet its present requirements; and
- (b) the Group's present bank facilities and the Net Proceeds, the Group has sufficient working capital to meet its present requirements. The Company has decided to undertake the Proposed Issuance of Convertible Bonds for the reasons as set out in paragraph 5.1 above.

The Group's working capital as at the date of this announcement is further supported by a letter of financial support from a director and internal financial resources.

6. FURTHER INFORMATION / ANNOUNCEMENTS

The Company will make an announcement disclosing further details of the Proposed New Businesses upon execution of the Casino Definitive Agreement and Banking Definitive Agreement and will make appropriate update announcement(s) on the Proposed New Businesses, the Proposed Diversification and the Proposed Issuance of Convertible Bonds at the relevant time.

Subject to the execution of the Subscription Agreement, the Company intends to seek shareholders' approval in relation to the Proposed Issuance of Convertible Bonds and a circular to the Company's shareholders containing, *inter alia*, the notice of the extraordinary general meeting and details of the terms and conditions of Proposed Issuance of Convertible Bonds will be despatched to the Company's shareholders in due course. The Company will make further announcements upon the execution of the Subscription Agreement or when there are material developments in respect of the Proposed Issuance of Convertible Bonds. The Company will make further disclosures in a separate announcement and/or circular at later date in compliance with the applicable requirements of the Listing Manual of the SGX-ST Section B: Rules of Catalist ("**Catalist Rules**"), and, where applicable, the Singapore Code on Take-overs and Mergers. Furthermore, the Proposed Issuance of Convertible Bonds and issuance and allotment of the Conversion Shares are subject to compliance with all rules, regulations and requirements imposed by the SGX-ST.

Further details of the Proposed Issuance of Convertible Bonds will be disclosed in due course via a separate announcement and/or a circular. The Company undertakes that it will comply with relevant requirements of the Catalist Rules including but not limited, where applicable, to seek Shareholders' approval for, *inter alia*, the Proposed Issuance of Convertible Bonds, issuance of Conversion Shares to controlling interest and transfer of controlling interest.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed New Businesses and Proposed Issuance of Convertible Bonds except for Mr Oei which is a controlling shareholder of the Company. In view of the foregoing, the Company will convene a general meeting to seek the approval of the Shareholders for the Proposed Issuance of Convertible Bonds pursuant to the Catalist Rules in due course.

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 Casino Definitive Agreement and/or the Banking Definitive Agreement will be entered into, the terms and conditions of the Proposed Casino Business and the Proposed Banking Business will not differ from that set out in the Casino Cooperation Agreement and Banking Cooperation Agreement, or the Proposed Casino Business, the Proposed Banking Business and the Proposed Issuance of Convertible Bonds 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

11 February 2025

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.

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