

CIRCULAR DATED 21 NOVEMBER 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of Asia-Pacific Strategic Investments Limited (the "Company"), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the listing of and quotation for the Rights Shares (as defined herein), the Warrants (as defined herein), the Adjustment Warrants (as defined herein), the Warrant Shares (as defined herein) and the Adjustment Warrant Shares (as defined herein). The Company will make the necessary announcement on SGXNET upon the receipt of the listing and quotation notice by the SGX-ST. Any listing and quotation notice granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants, the Adjustment Warrants, the Warrant Shares, the Adjustment Warrant Shares is not to be taken as an indication of the merits of the Rights cum Warrants Issue (as defined herein), the Rights Shares, the Warrants, the Adjustment Warrants, the Warrant Shares, the Adjustment Warrant Shares, the Company, its subsidiaries and their securities.

The Rights Shares, the Warrants and the Adjustment Warrants will be admitted to Catalist and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, all certificates relating thereto having been issued and the notification letters from The Central Depository (Pte) Limited having been despatched.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Circular shall not constitute an offer to sell or a solicitation of an offer to buy shares nor shall there be any sale of any shares in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. This Circular is issued to Shareholders solely for the purpose of providing Shareholders with the information pertaining to, and seeking Shareholders' approval for the Rights cum Warrants Issue at the EGM (as defined herein). Shareholders are authorised to use this Circular solely for the purpose of considering the approvals sought. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The distribution of this Circular and/or the transfer of the Rights, the Warrants, the Adjustment Warrants, the Rights Shares, the Warrant Shares and the Adjustment Warrant Shares into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Circular 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 ("SGX-ST"). The Sponsor has not independently verified the contents of this Circular. SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr Ng Joo Khin, Tel: 6389 3000 or email: jookhin.ng@morganlewis.com.



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

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

CIRCULAR TO SHAREHOLDERS

in relation to the

- (A) THE PROPOSED RENOUNCEABLE PARTIALLY-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 14,537,002,596 NEW ORDINARY SHARES OF THE COMPANY WITH UP TO 14,537,002,596 FREE DETACHABLE WARRANTS, ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF THE COMPANY HELD AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED, AND ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED;
- (B) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS (AS DEFINED HEREIN) TO RECEIVE A MANDATORY GENERAL OFFER FROM MR. OEI HONG LEONG AND HIS CONCERT PARTIES (THE "CONCERT PARTY GROUP") FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THE CONCERT PARTY GROUP AS A RESULT OF THE RIGHTS CUM WARRANTS ISSUE; AND
- (C) THE POSSIBLE TRANSFER OF CONTROLLING INTEREST TO MR. OEI HONG LEONG PURSUANT TO THE RIGHTS CUM WARRANTS ISSUE

Underwriter of the Rights cum Warrants Issue

UOBKayHian

UOB KAY HIAN PRIVATE LIMITED

(Company Registration No.: 197000447W)
(Incorporated in the Republic of Singapore)

Independent Financial Adviser to the Directors of the Company in respect of the Whitewash Resolution



ZICO CAPITAL PTE. LTD.

(Company Registration No.: 201613589E)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES:

Last date and time for lodgment of Proxy Form	:	4 December 2017 at 11.00 a.m.
Date and time of Extraordinary General Meeting	:	6 December 2017 at 11.00 a.m.
Place of Extraordinary General Meeting	:	Guild Room, The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 038983

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DEFINITIONS

The following definitions apply throughout in this Circular except where the context otherwise requires:

- “2013 Deed Poll”** : The deed poll dated 14 June 2013 entered into by the Company as amended and supplemented by the supplemental deed poll dated 10 March 2014
- “2013 Rights cum Warrants Issue”** : The Company’s renounceable right cum warrants issue pursuant to which, *inter alia*, 34,670,447 free detachable warrants were offered through an offer information statement dated 24 June 2013
- “2013 Warrantholders”** : Registered holders of the 2013 Warrants, except where the registered holder is CDP, the term **“2013 Warrantholders”** shall, in relation to such 2013 Warrants and where the context admits, mean the Entitled Depositors whose Securities Accounts are credited with such 2013 Warrants
- “2013 Warrants”** : The warrants in registered form allotted and issued by the Company pursuant to the terms and conditions of the 2013 Warrants as set out in the 2013 Deed Poll
- “2013 Warrants Adjustment”** : The adjustments to the number as well as the exercise price of the 2013 Warrants as a result of the Rights cum Warrants Issue and pursuant to the 2013 Deed Poll
- “2013 Warrants Exercise Price”** : The price payable for each Share upon the exercise of a 2013 Warrant which is S\$0.01, subject to certain adjustments in accordance with the terms and conditions of the 2013 Warrants as set out in the 2013 Deed Poll
- “2014 Deed Poll”** : The deed poll dated 3 April 2014 entered into by the Company
- “2014 Rights cum Warrants Issue”** : The Company’s renounceable right cum warrants issue pursuant to which, *inter alia*, 715,210,185 free detachable warrants were offered through an offer information statement dated 10 April 2014
- “2014 Warrantholders”** : Registered holders of the 2014 Warrants, except where the registered holder is CDP, the term **“2014 Warrantholders”** shall, in relation to such 2014 Warrants and where the context admits, mean the Entitled Depositors whose Securities Accounts are credited with such 2014 Warrants
- “2014 Warrants”** : The warrants in registered form allotted and issued by the Company pursuant to the terms and conditions of the 2014 Warrants as set out in the 2014 Deed Poll
- “2014 Warrants Adjustment”** : The adjustments to the number as well as the exercise price of the 2014 Warrants as a result of the Rights cum Warrants Issue and pursuant to the 2014 Deed Poll
- “2014 Warrants Exercise Price”** : The price payable for each Share upon the exercise of a 2014 Warrant which is S\$0.01, subject to certain adjustments in accordance with the terms and conditions of the 2014 Warrants as set out in the 2014 Deed Poll

DEFINITIONS

- “2015 Deed Poll”** : The deed poll dated 20 October 2015 entered into by the Company
- “2015 Rights cum Warrants Issue”** : The Company’s renounceable right cum warrants issue pursuant to which, *inter alia*, 3,373,458,070 free detachable warrants were offered through an offer information statement dated 28 October 2015
- “2015 Warrantholders”** : Registered holders of the 2015 Warrants, except where the registered holder is CDP, the term **“2015 Warrantholders”** shall, in relation to such 2015 Warrants and where the context admits, mean the Entitled Depositors whose Securities Accounts are credited with such 2015 Warrants
- “2015 Warrants”** : The warrants in registered form allotted and issued by the Company pursuant to the terms and conditions of the 2015 Warrants as set out in the 2015 Deed Poll
- “2015 Warrants Adjustment”** : The adjustments to the number as well as the exercise price of the 2015 Warrants as a result of the Rights cum Warrants Issue and pursuant to the 2015 Deed Poll
- “2015 Warrants Exercise Price”** : The price payable for each Share upon the exercise of a 2015 Warrant which is S\$0.005, subject to certain adjustments in accordance with the terms and conditions of the 2015 Warrants as set out in the 2015 Deed Poll
- “Act” or “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
- “Adjustment 2013 Warrant Share(s)”** : Up to 3,519,424 new ordinary shares of the Company to be issued by the Company, credited as fully paid, upon the exercise of the 2013 Adjustment Warrants, subject to and in accordance with the terms and conditions of the 2013 Adjustment Warrants set out in the 2013 Deed Poll
- “Adjustment 2013 Warrants”** : Up to 3,519,424 new warrants to be issued pursuant to the Adjustment 2013 Warrants Issue
- “Adjustment 2013 Warrants Issue”** : The issue of up to 3,519,424 new warrants pursuant to the adjustment of existing 2013 Warrants constituted under the 2013 Deed Poll, every one (1) Adjustment 2013 Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company at the adjusted 2013 Warrants Exercise Price
- “Adjustment 2014 Warrant Share(s)”** : Up to 257,735,067 new ordinary shares of the Company to be issued by the Company, credited as fully paid, upon the exercise of the 2014 Adjustment Warrants, subject to and in accordance with the terms and conditions of the 2014 Adjustment Warrants set out in the 2014 Deed Poll
- “Adjustment 2014 Warrants”** : Up to 257,735,067 new warrants to be issued pursuant to the Adjustment 2014 Warrants Issue

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- “Adjustment 2014 Warrants Issue”** : The issue of up to 257,735,067 new warrants pursuant to the adjustment of existing 2014 Warrants constituted under the 2014 Deed Poll, every one (1) Adjustment 2014 Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company at the adjusted 2014 Warrants Exercise Price
- “Adjustment 2015 Warrant Share(s)”** : Up to 863,915,455 new ordinary shares of the Company to be issued by the Company, credited as fully paid, upon the exercise of the 2015 Adjustment Warrants, subject to and in accordance with the terms and conditions of the 2015 Adjustment Warrants set out in the 2015 Deed Poll
- “Adjustment 2015 Warrants”** : Up to 863,915,455 new warrants to be issued pursuant to the Adjustment 2015 Warrants Issue
- “Adjustment 2015 Warrants Issue”** : The issue of up to 863,915,455 new warrants pursuant to the adjustment of existing 2015 Warrants constituted under the 2015 Deed Poll, every one (1) Adjustment 2015 Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company at the adjusted 2015 Warrants Exercise Price
- “Adjustment Warrant Share(s)”** : Collectively, the Adjustment 2013 Warrant Shares, Adjustment 2014 Warrant Shares and Adjustment 2015 Warrant Shares
- “Adjustment Warrants”** : Collectively, the Adjustment 2013 Warrants, the Adjustment 2014 Warrants and the Adjustment 2015 Warrants, every one (1) Adjustment Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company
- “Adjustment Warrants Issue”** : The issue of up to 1,125,169,946 new warrants to be issued pursuant to the adjustment of the existing 2013 Warrants, 2014 Warrants and 2015 Warrants constituted under the 2013 Deed Poll, 2014 Deed Poll and 2015 Deed Poll respectively
- “Announcement”** : The announcement released by the Company on 12 September 2017 in relation to the Rights cum Warrants Issue
- “ARE”** : The application and acceptance form for Rights Shares with Warrants and excess Rights Shares with Warrants to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue
- “ARS”** : The application and acceptance form for Rights Shares with Warrants to be issued to purchasers of the provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue traded on Catalist through the book-entry (scripless) settlement system
- “Associate”** : (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;

DEFINITIONS

- (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more
 - (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “ATM”** : Automated teller machine of a Participating Bank
- “Authority”** : The Monetary Authority of Singapore
- “Board of Directors” or “Board”** : The board of Directors of the Company for the time being
- “Books Closure Date”** : The time and date, to be determined by the Directors, at and on which the Share Transfer Books and Register of Members of the Company will be closed to determine the provisional allotments of Rights of the Entitled Shareholders under the Rights cum Warrants Issue
- “Business Day”** : A day (other than a Saturday, Sunday or public holiday) on which banks, the SGX-ST, CDP and the Share Registrar are open for business in Singapore
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 21 November 2017
- “Closing Date”** : The time and date to be determined by the Directors, being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of, the Rights Shares with Warrants under the Rights cum Warrants Issue
- “Code”** : The Singapore Code on Take-overs and Mergers, may be amended, modified or supplemented from time to time
- “Company”** : Asia-Pacific Strategic Investments Limited
- “Concert Parties”** : Collectively, Mr. Hano Maeloa and Ms. Oei Siu Hoa @ Sukmawati Widjaja

DEFINITIONS

“Concert Party Group”	:	Mr. Oei and the Concert Parties
“Constitution”	:	The constitution of the Company, as may be amended, modified or supplemented from time to time
“Controlling Interest”	:	The interest of a Controlling Shareholder
“Controlling Shareholder”	:	A person who: (a) holds, directly or indirectly, 15.0% or more of the total number of voting Shares (excluding treasury shares) in the Company; or (b) in fact exercises control over the Company
“CPF”	:	Central Provident Fund
“CPF Approved Bank”	:	Any bank appointed by the CPF Board to be a bank for the purposes of the CPF Regulations
“CPF Board”	:	The board of the CPF established pursuant to the Central Provident Fund Act, Chapter 36 of Singapore, as may be amended, modified or supplemented from time to time
“CPF Investment Account”	:	An account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn
“CPFIS”	:	CPF Investment Scheme
“Deed Poll”	:	The deed poll to be executed by the Company constituting the Warrants and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of the Warrantholders
“Director”	:	A director of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on pages 95 to 98 of this Circular
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders whose (i) share certificates are not deposited with CDP, (ii) Shares are registered in their own names and (iii) registered addresses are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Company with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders

DEFINITIONS

- “Entitled Warrantheolders”** : Warrantheolders with the Relevant Warrants standing to the credit of their Securities Accounts/in the Company’s Register of Warrantheolders and whose registered addresses with CDP are in Singapore as at the Closing Date
- “EPS”** : Earnings per Share
- “Excess Applications”** : Excess applications by Entitled Shareholders of the Rights Shares with Warrants in excess of their provisional allotments of Rights Shares with Warrants
- “Exercise Period”** : The period during which the Warrants may be exercised, commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members of the Company is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to closure of the Register of Members of the Company or on the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the Register of Warrantheolders may be closed), subject to the terms and conditions of the Warrants to be set out in the Deed Poll. The right to exercise the Warrants will not be extended beyond the Exercise Period
- “Exercise Price”** : The price payable in respect of each Warrant Share upon the exercise of a Warrant shall be S\$0.003, subject to certain adjustments in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll
- “Existing Share Capital”** : The existing issued and paid-up share capital of the Company of 3,892,653,874 Shares (excluding treasury shares) as at the Latest Practicable Date
- “Existing Warrants”** : The 10,559,328 outstanding, unexercised 2013 Warrants, the 773,282,530 outstanding, unexercised 2014 Warrants and the 2,592,005,566 outstanding, unexercised 2015 Warrants in registered form allotted and issued by the Company as at the Latest Practicable Date pursuant to the terms and conditions of the existing warrants set out in the 2013 Deed Poll, the 2014 Deed Poll and the 2015 Deed Poll
- “Foreign Purchasers”** : Persons purchasing the Rights through the book-entry (scripless) settlement system whose registered addresses with CDP are outside Singapore
- “Foreign Shareholders”** : 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 the Company, the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents
- “FY”** : Financial year ended 30 June

DEFINITIONS

“Group”	:	The Company and its subsidiaries
“IFA”	:	ZICO Capital Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Whitewash Resolution
“IFA Letter”	:	The letter dated 21 November 2017 from the IFA to the Independent Directors in respect of the Whitewash Resolution, a copy of which is set out in Appendix C of this Circular
“Independent Directors”	:	The Directors who are considered independent of the Whitewash Resolution, namely Dato’ Dr Choo Yeow Ming, Lee Keng Mun, Dr. Lam Lee G., Chew Soo Lin and Yap Siew Sin
“Independent Shareholders”	:	Shareholders who are deemed to be independent for the purposes of the Whitewash Resolution
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.003 for each Rights Share
“Latest Practicable Date”	:	14 November 2017, being the latest practicable date prior to the printing of this Circular
“Mandatory Offer”	:	Has the same meaning ascribed to it in section 6.2 of the Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Subscription Scenario”	:	Based on the Existing Share Capital and assuming that (i) all of the Existing 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 <i>pro rata</i> entitlements of Rights Shares with Warrants
“Maximum Subscription Scenario (Concert Party Group)”	:	Based on the Existing Share Capital and assuming that (i) all of the Existing Warrants are exercised and new Shares are issued pursuant thereto on or prior to the Books Closure Date; (ii) none of the Entitled Shareholders other than the Concert Parties subscribes for the Rights Shares with Warrants; (iii) the Concert Parties subscribe for their <i>pro rata</i> entitlement of Rights Shares with Warrants; and (iv) Mr. Oei subscribes for the Underwritten Rights Shares and Warrants in full
“Maximum Subscription Scenario (only Mr. Oei)”	:	Based on the Existing Share Capital and assuming that (i) all of the Existing Warrants are exercised and new Shares are issued pursuant thereto on or prior to the Books Closure Date; (ii) none of the Entitled Shareholders subscribes for the Rights Shares with Warrants; and (iii) Mr. Oei subscribes for the Underwritten Rights Shares with Warrants in full
“Minimum Subscription Scenario”	:	Based on the Existing Share Capital and assuming that (i) none of the Existing Warrants are exercised on or prior to the Books Closure Date; and (ii) all of the Entitled Shareholders subscribe and pay for their <i>pro rata</i> entitlements of Rights Shares with Warrants

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“Minimum Subscription Scenario (only Mr. Oei)”	:	Based on the Existing Share Capital and assuming that (i) none of the Existing Warrants are exercised on or prior to the Books Closure Date; (ii) none of the Entitled Shareholders subscribes for the Rights Shares with Warrants; and (iii) Mr. Oei subscribes for the Underwritten Rights Shares with Warrants in full
“Mr. Oei”	:	Mr. Oei Hong Leong
“Notice of EGM”	:	The notice of EGM set out on pages 95 to 98 of this Circular
“NTA”	:	Net tangible assets
“Offer Information Statement”	:	The offer information statement referred to in Section 277 of the Securities and Futures Act and, together with the PAL, the ARE, the ARS and all accompanying documents including any supplementary or replacement document, to be issued by the Company in connection with the Rights cum Warrants Issue
“Ordinary Resolution 1”	:	The ordinary resolution to approve the Rights cum Warrants Issue
“Ordinary Resolution 2”	:	The ordinary resolution to approve the Whitewash Resolution
“Ordinary Resolution 3”	:	The ordinary resolution to approve the Possible Transfer of Controlling Interest
“PAL”	:	The provisional allotment letter to be issued to Entitled Scripholders, setting out the provisional allotment of Rights Shares with Warrants under the Rights cum Warrants Issue
“Participating Banks”	:	The banks that will be participating in the Rights cum Warrants Issue by making available their ATMs to Entitled Depositors for acceptances of the Rights Shares with Warrants and/or Excess Applications
“Possible Transfer of Controlling Interest”	:	The possible transfer of a Controlling Interest in the Company to Mr. Oei arising from his subscription for the Underwritten Rights Shares pursuant to the Sub-underwriting Commitment
“Proposed Resolutions”	:	Collectively, Ordinary Resolution 1, Ordinary Resolution 2 and Ordinary Resolution 3
“Proxy Form”	:	The proxy form in respect of the EGM enclosed in this Circular
“Purchaser”	:	A purchaser of the Rights
“Record Date”	:	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 Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of 2013 Warrantholders”	:	Register of 2013 Warrantholders of the Company

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“Register of 2014 Warranholders”	:	Register of 2014 Warranholders of the Company
“Register of 2015 Warranholders”	:	Register of 2015 Warranholders of the Company
“Register of Members”	:	Register of members of the Company
“Relevant Deed Poll”	:	The 2013 Deed Poll, the 2014 Deed Poll and the 2015 Deed Poll, as the case may be
“Relevant Warranholders”	:	The 2013 Warranholders, the 2014 Warranholders and the 2015 Warranholders, as the case may be
“Relevant Warrants”	:	The 2013 Warrants, the 2014 Warrants and the 2015 Warrants, as the case may be
“Relevant Warrants Exercise Price”	:	The 2013 Warrants Exercise Price, the 2014 Warrants Exercise Price and the 2015 Warrants Exercise Price, as the case may be
“Rights”	:	Rights to subscribe for two (2) Rights Shares with Warrants for every one (1) Share held by Shareholders as at the Books Closure Date
“Rights cum Warrants Issue”	:	The renounceable partially-underwritten rights issue by the Company of up to 14,537,002,596 Rights Shares at an issue price of S\$0.003 for each Rights Share with up to 14,537,002,596 free detachable Warrants, each Warrant carrying the right to subscribe for one (1) Warrant Share at an exercise price of S\$0.003 for each Warrant Share, on the basis of two (2) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, and one (1) Warrant given with one (1) Rights Share subscribed, fractional entitlements to be disregarded
“Rights Share(s)”	:	Up to 14,537,002,596 new Shares to be allotted and issued by the Company pursuant to the Rights cum Warrants Issue
“Rights Trading Period”	:	The trading period of the Rights on a “nil-paid” basis
“Securities Account”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
“Securities and Futures Act” or “SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”, “Warrant Agent” or “Warrant Registrar”	:	B.A.C.S. Private Limited
“Share Transfer Books”	:	The share transfer books of the Company

DEFINITIONS

“Shareholders”	:	The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons to whose securities accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council
“Sponsor”	:	Stamford Corporate Services Pte. Ltd.
“Subsidiaries”	:	Has the meaning ascribed to it in Section 5 of the Companies Act and “Subsidiary” shall be construed accordingly
“Substantial Shareholder”	:	A person who has an interest in voting shares of the Company the total votes attached to which is not less than 5.0% of the total votes attached to all the voting shares in the Company
“Sub-underwriting Agreement”	:	The sub-underwriting agreement dated 11 September 2017 entered into between UOBKH and Mr. Oei to provide the Sub-underwriting Commitment
“Sub-underwriting Commitment”	:	The commitment provided by Mr. Oei pursuant to the Sub-underwriting Agreement, the details of which are set out in Section 2.8 of this Circular
“Sub-underwriting Commission”	:	The commission payable by the Underwriter to Mr. Oei pursuant to the Sub-underwriting Agreement, the details of which are set out in Section 2.8 of this Circular
“Underwriter” or “UOBKH”	:	UOB Kay Hian Private Limited, the underwriter of up to 7,785,299,728 Rights Shares pursuant to the Rights cum Warrants Issue
“Underwriting Agreement”	:	The underwriting agreement dated 12 September 2017 entered into between UOBKH and the Company to partially underwriter up to 7,785,299,728 Rights Shares, representing approximately 53.6% of the total number of Rights Shares at the Issue Price
“Underwriting Commission”	:	The commission payable by the Company to the Underwriter pursuant to the Underwriting Agreement, the details of which are set out in Section 2.7 of this Circular
“Underwritten Rights Shares”	:	Up to 7,785,299,728 Rights Shares to be underwritten by UOBKH pursuant to the Underwriting Agreement
“VWAP”	:	Volume weighted average price
“Warrantholders”	:	Registered holders of the Warrants, except where the registered holder is CDP, the term “Warrantholders” shall, in relation to such Warrants and where the context admits, mean the Entitled Depositors whose Securities Accounts are credited with such Warrants

DEFINITIONS

- “Warrant(s)”** : Up to 14,537,002,596 free detachable warrants in registered form, to be allotted and issued by the Company together with the Rights Shares pursuant to the Rights cum Warrants Issue, and where the context so admits, such additional warrants as may be required or permitted to be allotted and issued by the Company pursuant to the terms and conditions of the warrants to be set out in the Deed Poll (any such additional warrants to rank *pari passu* with the warrants to be issued together with the Rights Shares and for all purposes to form part of the same series of warrants constituted by the Deed Poll), subject to the terms and conditions to be set out in the Deed Poll, each warrant entitling the holder thereof to subscribe for one (1) Warrant Share at the Exercise Price
- “Warrant Share(s)”** : Up to 14,537,002,596 new ordinary shares of the Company to be issued by the Company, credited as fully paid, upon the exercise of the Warrants, subject to and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll
- “Warrant Agency Agreement”** : The warrant agency agreement to be executed by the Company, the Warrant Agent and the Warrant Registrar, pursuant to which the Warrant Agent is appointed by the Company to act in connection with the Warrants upon the terms and conditions set out therein, and includes any other agreement (whether made pursuant to the terms of the Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment
- “Whitewash Resolution”** : The proposed whitewash resolution for the waiver by the Independent Shareholders of their rights to receive a mandatory general offer from the Concert Party Group for all the issued Shares not already owned or controlled by them, as a result of the Concert Party Group’s subscription of the Rights Shares and Warrant Shares arising from the exercise of the Warrants under the Rights cum Warrants Issue and/or the Adjustment Warrants Shares arising from the exercise of the Adjustment Warrants
- “Whitewash Waiver”** : The waiver which the SIC granted on 6 November 2017 of the obligation of the Concert Party Group to make a mandatory offer under Rule 14 of the Code in the event the Concert Party Group increases their aggregate shareholding in the Company to 30% or more based on the Company’s enlarged issued share capital as a result of (i) the subscription for Rights Shares pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue, (ii) the exercise of Warrants subscribed for pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue, or (iii) the exercise of Adjustment Warrants

Currencies, Units and Others

- “%” or “per cent”** : Percentage or per centum

DEFINITIONS

- “RM” or “RM cents” : Malaysian Ringgit and cents, respectively, being the lawful currency of Malaysia
- “S\$” or “cents” : Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Catalist Rules or any modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act, the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

Any reference to date and time of day in this Circular shall be a reference to Singapore date and time, unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

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

Board of Directors

Dato' Dr Choo Yeow Ming (*Chairman and Chief Executive Officer*)
Lee Keng Mun (*Executive Director and Chief Operating Officer*)
Hano Maeloa (*Non-Executive Director*)
Dr. Lam Lee G. (*Lead Independent Director*)
Chew Soo Lin (*Independent Director*)
Yap Siew Sin (*Independent Director*)

Registered Office

8 Robinson Road
#03-00
ASO Building
Singapore 048544

21 November 2017

To: The Shareholders of the Company

Dear Sir/Madam,

- (A) **THE PROPOSED RENOUNCEABLE PARTIALLY-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 14,537,002,596 NEW ORDINARY SHARES OF THE COMPANY WITH UP TO 14,537,002,596 FREE DETACHABLE WARRANTS, ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF THE COMPANY HELD AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED, AND ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED;**
- (B) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS TO RECEIVE A MANDATORY GENERAL OFFER FROM THE CONCERT PARTY GROUP FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THE CONCERT PARTY GROUP AS A RESULT OF THE RIGHTS CUM WARRANTS ISSUE; AND**
- (C) **THE POSSIBLE TRANSFER OF CONTROLLING INTEREST TO MR. OEI HONG LEONG PURSUANT TO THE RIGHTS CUM WARRANTS ISSUE**

1. INTRODUCTION

1.1 Rights cum Warrants Issue

On 12 September 2017, the Company announced that it is undertaking a renounceable rights issue (the "**Rights cum Warrants Issue**") of up to 14,537,002,596 new ordinary shares of the Company (the "**Rights Shares**") with up to 14,537,002,596 free detachable warrants (the "**Warrants**"), on the basis of two (2) Rights Shares for every one (1) existing ordinary share of the Company (the "**Shares**") 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*:

- (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

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

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 Authority); 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.

An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the listing of and quotation for the Rights Shares, the Warrants and the Warrant Shares pursuant to the Rights cum Warrants Issue. The Company will make the necessary announcement on SGXNET upon the receipt of the listing and quotation notice by the SGX-ST.

Pursuant to the Rules of Catalist, the SGX-ST normally requires a sufficient spread of holdings to provide an orderly market in the securities and as a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants. Shareholders should note that in the event permission is not granted by the SGX-ST for the listing of and quotation for the Warrants on Catalist due to an inadequate spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, Warrant holders will not be able to trade their Warrants on Catalist but the Company shall nevertheless proceed with and complete the Rights cum Warrants Issue in such event.

1.2 Adjustment Warrants Issue

As at the Latest Practicable Date, the Company has 3,375,847,424 outstanding, unexercised warrants which consist of:

- (a) 10,559,328 outstanding, unexercised 2013 Warrants;
- (b) 773,282,530 outstanding, unexercised 2014 Warrants; and
- (c) 2,592,005,566 outstanding, unexercised 2015 Warrants,

in registered form allotted and issued by the Company pursuant to the terms and conditions of the existing warrants set out in the 2013 Deed Poll, the 2014 Deed Poll and the 2015 Deed Poll (the "**Existing Warrants**").

As a result of the Rights cum Warrants Issue and pursuant to the 2013 Deed Poll, 2014 Deed Poll and the 2015 Deed Poll, the Company is required to make adjustments to the number as well as the exercise price of the Existing Warrants. Under the terms of the 2013 Deed Poll, the 2014 Deed Poll and the 2015 Deed Poll, such adjustments will be effective from the commencement of the Market Day next following the Closing Date.

The issue of the additional warrants as a result of the Rights cum Warrants Issue and pursuant to the 2013 Deed Poll and the 2014 Deed Poll, as well as the issuance of additional Shares upon the exercise of such additional warrants, will be undertaken pursuant to the specific mandate granted by Shareholders at the extraordinary general meeting of the Company held on 31 March 2014.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

The issue of the additional warrants as a result of the Rights cum Warrants Issue and pursuant to the 2015 Deed Poll, as well as the issuance of additional Shares upon the exercise of such additional warrants, will be undertaken pursuant to the specific mandate granted by Shareholders at the extraordinary general meeting of the Company held on 15 October 2015.

An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the listing of and quotation for the Adjustment Warrants and the Adjustment Warrant Shares pursuant to the Adjustment Warrants Issue. The Company will make the necessary announcement on SGXNET upon the receipt of the listing and quotation notice by the SGX-ST.

1.3 Extraordinary General Meeting

The Board proposes to seek the approval of the Shareholders in respect of:

- (a) the ordinary resolution to approve the Rights cum Warrants Issue (“**Ordinary Resolution 1**”);
- (b) the ordinary resolution to approve the Whitewash Resolution (“**Ordinary Resolution 2**”); and
- (c) the ordinary resolution to approve the Possible Transfer of Controlling Interest. (“**Ordinary Resolution 3**”).

SHAREHOLDERS SHOULD NOTE THAT THE PASSING OF THE PROPOSED RESOLUTIONS ARE INTER-CONDITIONAL. THIS MEANS THAT IN THE EVENT ANY ONE OF THE PROPOSED RESOLUTIONS IS NOT APPROVED, THE OTHER PROPOSED RESOLUTIONS WOULD NOT BE PASSED.

1.4 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to the above and to seek Shareholders’ approval for the resolutions set out in the Notice of EGM.

The Sponsor and the SGX-ST assume no responsibility for the correctness of the statements made or reports contained, or opinions expressed, in this Circular.

2. THE RIGHTS CUM WARRANTS ISSUE

2.1 Basis of the Rights cum Warrants Issue

The Company is offering to Entitled Shareholders up to 14,537,002,596 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) 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 will be at liberty to accept (in full or in part), or decline, or otherwise renounce or trade (during the provisional allotment trading period prescribed by 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.

LETTER TO SHAREHOLDERS FROM THE BOARD 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, 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.

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 Code as a result of other Shareholders not taking up their Rights Shares with Warrants entitlement fully.

2.2 Size of Rights cum Warrants Issue

As at the Latest Practicable Date, the issued share capital of the Company (excluding treasury shares) comprises 3,892,653,874 Shares (the “**Existing Share Capital**”), and there is an aggregate of 3,375,847,424 Existing Warrants, all of which are exercisable. In the event all of the Existing Warrants are exercised, the issued share capital of the Company (excluding treasury shares) will increase to 7,268,501,298 Shares.

(a) Minimum Subscription Scenario

Based on the Existing Share Capital and assuming that:

- (i) none of the Existing Warrants are exercised 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,

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

the Company will issue 7,785,307,748 Rights Shares and 7,785,307,748 Warrants under the Rights cum Warrants Issue. Under the Minimum Subscription Scenario, the Company will also issue 1,125,169,946 Adjustment Warrants pursuant to the Adjustment Warrants Issue. Please refer to section 3 of this Circular for details on the Adjustment Warrants Issue.

(b) Minimum Subscription Scenario (only Mr. Oei)

Based on the Existing Share Capital and assuming that:

- (i) none of the Existing Warrants are exercised on or prior to the Books Closure Date;
- (ii) none of the Entitled Shareholders subscribes for the Rights Shares with Warrants; and
- (iii) Mr. Oei Hong Leong (“**Mr Oei**”) subscribes for the Underwritten Rights Shares with Warrants in full,

(collectively, referred to as the “**Minimum Subscription Scenario (only Mr. Oei)**”),

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

the Company will issue 7,785,299,728 Rights Shares and 7,785,299,728 Warrants under the Rights cum Warrants Issue. Under the Minimum Subscription Scenario (only Mr. Oei), the Company will also issue 1,125,169,946 Adjustment Warrants pursuant to the Adjustment Warrants Issue. Please refer to section 3 of this Circular for details on the Adjustment Warrants Issue.

(c) Maximum Subscription Scenario

Based on the Existing Share Capital and assuming that:

- (i) all of the Existing 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,

(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. Under the Maximum Subscription Scenario, no Adjustment Warrants will be issued pursuant to the Adjustment Warrants Issue.

(d) Maximum Subscription Scenario (only Mr. Oei)

Based on the Existing Share Capital and assuming that:

- (i) all of the Existing Warrants are exercised and new Shares are issued pursuant thereto on or prior to the Books Closure Date;
- (ii) none of the Entitled Shareholders subscribes for the Rights Shares with Warrants; and
- (iii) Mr. Oei subscribes for the Underwritten Rights Shares with Warrants in full,

(collectively, referred to as the “**Maximum Subscription Scenario (only Mr. Oei)**”),

the Company will issue 7,785,299,728 Rights Shares and 7,785,299,728 Warrants under the Rights cum Warrants Issue. Under the Maximum Subscription Scenario (only Mr. Oei), no Adjustment Warrants will be issued pursuant to the Adjustment Warrants Issue.

(e) Maximum Subscription Scenario (Concert Party Group)

Based on the Existing Share Capital and assuming that:

- (i) all of the Existing Warrants are exercised and new Shares are issued pursuant thereto on or prior to the Books Closure Date;
- (ii) none of the Entitled Shareholders other than the Concert Parties subscribes for the Rights Shares with Warrants;
- (iii) the Concert Parties subscribe for their *pro rata* entitlement of Rights Shares with Warrants; and
- (iv) Mr. Oei subscribes for the Underwritten Rights Shares and Warrants in full,

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

the Company will issue 9,266,691,698 Rights Shares and 9,266,691,698 Warrants under the Rights cum Warrants Issue. Under the Maximum Subscription Scenario (Concert Party Group), no Adjustment Warrants will be issued pursuant to the Adjustment Warrants Issue.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

2.3 Principal Terms of the Rights cum Warrants Issue

Number of Rights Shares : Up to 14,537,002,596 Rights Shares (with up to 14,537,002,596 free detachable Warrants)

Basis of Provisional Allotment : The Rights cum Warrants Issue is made on a renounceable basis to Entitled Shareholders on the basis of two (2) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, and one (1) Warrant given for every one (1) Rights Share subscribed, fractional entitlements to be disregarded.

Issue Price : S\$0.003 for each Rights Share, payable in full on acceptance and/or application.

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 25.0% 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 the Announcement on which Shares were traded on the Catalist of the SGX-ST.

Eligibility to participate : Please refer to section 2.5 entitled “Eligibility of Shareholders to Participate in the Rights Cum Warrants Issue” of this Circular.

Status of the Rights Shares : The Rights Shares are payable in full upon acceptance and application, and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

Listing of the Rights Shares : An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the listing of and quotation for the Rights Shares. The Company will make the necessary announcement on SGXNET upon the receipt of the listing and quotation notice by the SGX-ST.

Acceptance and Excess Application : Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or in the case of Entitled Depositors, trade their provisional allotments of Rights Shares on Catalist during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

Provisional allotments which are not taken up for any reason shall be aggregated and used to satisfy Excess Applications (if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and that 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 Directors will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares with Warrants.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

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.

Trading of the Rights Shares : Upon the listing and quotation of the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise of 100 Shares.

Scaling Down : 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 Code as a result of other Shareholders not taking up their Rights Shares with Warrants entitlement fully.

Use of CPF Funds : Persons who have previously bought their Shares under the CPFIS – Ordinary Account (“**CPFIS Shareholders**”), can only use, subject to applicable CPF rules and regulations, their CPF account savings (“**CPF Funds**”) for the payment of the Issue Price to subscribe for the Rights Shares and (if applicable) apply for excess Rights Shares. CPFIS Shareholders who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct their respective approved banks, where such CPFIS Shareholders hold their CPF Investment Accounts, to accept the provisional allotments of Rights Shares and (if applicable) apply for the excess Rights Shares on their behalf in accordance with the Offer Information Statement. In the case of insufficient CPF funds or stock limit, CPFIS Shareholders could top up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept the Rights Shares and (if applicable) apply for excess Rights Shares. Any application made directly to the CDP or through ATMs will be rejected. CPF Funds cannot, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

Underwriting Agreement : Please refer to sections 2.7 and 2.8 of this Circular for details of the terms of the Underwriting Agreement and the Sub-underwriting Agreement.

Governing Law : Laws of the Republic of Singapore.

2.4 Principal Terms of the Warrants

Number of Warrants : Up to 14,537,002,596 Warrants to be issued free together with the Rights Shares.

Basis of Allotment : One (1) free detachable Warrant with every one (1) Rights Share subscribed, fractional entitlements to be disregarded.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

Detachability and Trading : The Warrants will be detached from the Rights Shares on issue and will be listed and traded separately on the SGX-ST under the book-entry (scripless) settlement system upon the listing and quotation of the Warrants on the SGX-ST, subject to, *inter alia*, an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each board lot of Warrants will consist of 100 Warrants or such other number as may be notified by the Company.

Listing of the Warrants and the Warrant Shares : An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the listing of and quotation for the Warrants and the Warrant Shares pursuant to the Rights cum Warrants Issue. The Company will make the necessary announcement on SGXNET upon the receipt of the listing and quotation notice by the SGX-ST.

However, it should be noted that the Warrants may not be listed and quoted on the SGX-ST if there is an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants. In such event, Warranholders will not be able to trade their Warrants on the SGX-ST.

Form and subscription rights : The Warrants will be issued in registered form and will be constituted by the Deed Poll. Subject to the terms and conditions of the Warrants as set out in the Deed Poll, each Warrant shall entitle the Warranholder, at any time during the Exercise Period, to subscribe for one (1) Warrant Share at the Exercise Price in force on the relevant date of exercise of the Warrants.

Exercise Price : S\$0.003 for each Warrant Share on the exercise of a Warrant.

Exercise Period : The Warrants may be exercised at any time from and including the date of the issue of the Warrants up to 5.00 p.m. on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members and/or Register of Warranholders of the Company is closed or is not a Market Day, in which event the Exercise Period shall end on the date prior to the closure of the Register of Members or the immediately preceding Market Day (the “**Expiry Date**”), as the case may be, but excluding such period(s) during which the Register of Warranholders may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

Notice of expiry of the Warrants shall be given to all Warranholders at least one (1) month before the Expiry Date.

Mode of payment for exercise of Warrants : Warranholders who exercise their Warrants must pay the Exercise Price by way of (i) remittance in Singapore currency by banker’s draft or cashier’s order drawn on a bank in Singapore in favour of the Company for the full amount of the Exercise Price payable in respect of the Warrants exercised; or (ii) by debiting the relevant Warranholder’s CPF Investment Account with the

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

specified CPF Approved Bank, for the credit of the Company for the full amount of the Exercise Price payable in respect of the Warrants exercised.

Adjustments : The Exercise Price and the number of Warrants to be held by each Warrantholder will be subject to adjustments under certain circumstances provided for in the terms and conditions of the Warrants as set out in the Deed Poll.

Such circumstances include, without limitation, consolidation, subdivision or conversion of the Shares, capitalisation issues, rights issues and certain capital distributions.

Any additional Warrants issued pursuant to such adjustments shall rank *pari passu* with the Warrants and will for all purposes form part of the same series. Any such adjustments shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on the SGXNET.

Status of Warrant Shares : The Warrant Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares, save that they will not be entitled to participate in any dividends, rights, allotments or other distributions, that may be declared or paid, the Record Date for which falls before the date of exercise of the Warrants.

Modifications : The Company may, without the consent of the Warrantholders but in accordance with the terms and conditions of the Deed Poll, effect modifications to the terms and conditions of the Deed Poll including, without limitation, the terms and conditions of the Warrants, which, in the opinion of the Company, (i) is not materially prejudicial to the interests of the Warrantholders or is of a formal, technical or minor nature; (ii) is to correct a manifest error or to comply with mandatory provisions of Singapore law; or (iii) is to vary or replace provisions relating to the transfer or exercise of the Warrants, including the issue of Warrant Shares arising from the exercise thereof or meetings of Warrantholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.

Any such modification shall be binding on all Warrantholders and all persons having an interest in the Warrants and shall be notified to them in accordance with the terms and conditions of the Warrants as set out in the Deed Poll, as soon as practicable thereafter.

Without prejudice to any provision of the Deed Poll, any material alteration in the terms and conditions of the Warrants to the advantage of the Warrantholders is subject to the approval of Shareholders except where the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll.

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Transfer and Transmission: The Warrants shall be transferable in lots entitling Warranholders to subscribe for whole numbers of Warrant Shares. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants set out in the Deed Poll including, *inter alia*, the following:

- (i) Lodgement of Certificates and Transfer Forms – a Warranholder whose Warrants are registered in his own name (the “**Transferor**”) shall lodge, during normal business hours on any Business Day so as to be received at the specified office of the Warrant Agent, the Transferor’s warrant certificate(s) together with an instrument of transfer (the “**Transfer Form**”) duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty and accompanied by the fees and expenses set out in the Deed Poll provided that the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to it;
- (ii) Deceased Warranholder – the executors and administrators of a deceased Warranholder whose Warrants are registered otherwise than in the name of CDP (not being one of several joint holders whose Warrants are registered otherwise than in the name of CDP) or if the Warranholder is CDP, of a deceased Depositor, and, in the case of one or more of several such joint Warranholders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the Warrant Agent as having title to Warrants registered in the name of a deceased Warranholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and the payment of the fees and expenses set out in the Deed Poll, be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased holder could have made;
- (iii) Warrants registered in the name of CDP – where the Warrants are registered in the name of CDP and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book-entry; and
- (iv) Effective Date of Transfer – A Transferor or Depositor, as the case may be, shall be deemed to remain a holder of the Warrant until the name of the transferee is entered in the Register of Warranholders by the Warrant Agent or the Depository Register by CDP, as the case may be.

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Winding-up : Where there is a members' voluntary winding-up of the Company (other than a winding-up for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the Warranholders by way of an extraordinary resolution), the Warranholders shall be entitled upon and subject to the conditions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, elect to be treated as if they had immediately prior to the commencement of such winding-up exercised the Warrants and had on such date been the holders of the Shares to which they would have been entitled pursuant to such exercise, and the liquidator of the Company shall, if permitted by law, give effect to such election accordingly. The Company shall give notice to the Warranholders in accordance with the conditions of the Deed Poll of the passing of any such resolution within seven (7) business days after the passing thereof. Where a Warranholder has elected to be treated as if it had exercised its Warrants as aforesaid, it shall be liable to pay the Exercise Price in relation to such exercise.

Subject to the foregoing, if the Company is wound up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and cease to be valid for any purpose.

Further Issues : Subject to the terms and conditions of the Warrants as set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and to issue further subscription rights, upon such terms and conditions as the Company sees fit but the Warranholders shall not have any participating rights in such further issues of Shares or subscription rights unless otherwise resolved by the Company in general meeting.

Use of CPF Funds : CPF members may use their savings in the CPF Ordinary Account (subject to the availability of investible savings) for the payment of the Exercise Price upon exercise of the Warrants (in which case the Warrant Shares arising therefrom will be held through the CPF Investment Account). CPF members are NOT permitted to use the CPF monies to:

- (i) purchase the "Rights traded on SGX-ST; and/or
- (ii) purchase the Warrants traded on SGX-ST (the listing thereof subject to there being a sufficient spread of holdings).

Warrant Agent : B.A.C.S. Private Limited

Governing Law : Laws of the Republic of Singapore

The above terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may, in consultation with the Underwriter, deem fit. The final terms and conditions of the Rights cum Warrants Issue will be set out in the Offer Information Statement to be despatched to Entitled Shareholders in due course, subject to, *inter alia*, the approval of the Shareholders for the Rights cum Warrants Issue at the EGM.

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2.5 Eligibility of Shareholders to Participate in the Rights cum Warrants Issue

(a) Entitled Shareholders

Entitled Shareholders will be entitled to participate in the Rights cum Warrants Issue and to receive the Offer Information Statement together with the AREs or PALs, as the case may be, and other accompanying documents at their respective Singapore addresses.

Entitled Depositors who do not receive the Offer Information Statement and the AREs may obtain them from CDP, the Share Registrar or any stockbroking firm during the period up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PALs may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares with Warrants under the Rights cum Warrants Issue on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or trade on Catalist during the provisional allotment trading period prescribed by the SGX-ST, in full or in part their provisional allotments of Rights Shares with Warrants and are eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue. For avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renouces) shall be entitled to apply for additional Rights Shares with Warrants in excess of their provisional allotments.

All dealings in, and transactions of, the provisional allotments of Rights Shares with Warrants through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or effect any change in address must reach CDP not later than three (3) Market Days before the Books Closure Date.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or effect any change in address must reach Asia-Pacific Strategic Investments Limited, c/o B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not later than three (3) Market Days before the Books Closure Date. Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the Rights. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12th) Market Day from the date of lodgement of the share certificates with CDP or such later date subject to the completion of the lodgement process.

The Rights Shares with Warrants which are not otherwise taken up or allotted for any reason shall be used to satisfy applications for excess Rights Shares with Warrants (if any) as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

In the allotment of excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and that 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 will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares with Warrants.

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The Company will not make any allotments and issue of Rights Shares, Warrants or Warrant Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

Entitled Depositors, who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants, may only do so through CDP and/or by way of an electronic application through ATM(s) of a Participating Bank. Full details of the Rights cum Warrants Issue, including an indicative timetable of the key events, will be set out in the Offer Information Statement to be despatched to Entitled Shareholders in due course.

(b) Foreign Shareholders

The Offer Information Statement and its accompanying documents have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights cum Warrants Issue. No provisional allotment of Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application therefore by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares with Warrants through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (the “**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares with Warrants credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renouncee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares with Warrants renounced to him. The Company further reserves the right to reject any acceptances of the Rights Shares with Warrants and/or any application for excess Rights Shares with Warrants where it believes, or has reason to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction.

The Company reserves the right to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Warrant Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any deemed representation or warranty. The Company further reserves the right to reject any acceptances of the Warrants and/or applications for excess Warrants where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP.

Foreign Shareholders who wish to be eligible to participate in the Warrants Issue may provide a Singapore address by notifying in writing, as the case may be, (i) CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 or (ii) Asia-Pacific Strategic

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Investments Limited c/o the Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not later than three (3) Market Days before the Books Closure Date.

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

Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them by means of a crossed cheque at their own risk by ordinary post, or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Underwriter or CDP in connection therewith.

Where such provisional allotments of Rights Shares with Warrants are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Underwriter or CDP in respect of such sales or proceeds thereof, the provisional allotments of Rights Shares with Warrants or the Rights Shares with Warrants represented by such provisional allotments.

If such provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the Rights Shares with Warrants represented by such provisional allotments will be used to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Underwriter or CDP in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Entitled Shareholders and any other person having possession of the Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares with Warrants unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other legal requirements in those territories.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of the Rights Shares with Warrants and for Excess Application for the Rights Shares with Warrants pursuant to the Rights cum Warrants Issue will be set out in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course.

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2.6 Rationale of Rights cum Warrants Issue and Use of Proceeds

The Company is undertaking the Rights cum Warrants Issue to strengthen the financial position and capital base of 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 People's Republic of China, as well as for general working capital purposes.

Assuming none of the Warrants that are issued pursuant to the Rights cum Warrants Issue are exercised, the amount of gross proceeds and net proceeds arising from the Rights cum Warrants Issue under each of the subscription scenarios are as follows:

Subscription Scenario	Gross Proceeds	Estimated Expenses	Net Proceeds
Minimum Subscription Scenario	S\$23.36 million	S\$0.95 million	S\$22.41 million
Minimum Subscription Scenario (only Mr. Oei)	S\$23.36 million	S\$0.95 million	S\$22.41 million
Maximum Subscription Scenario	S\$43.61 million ⁽¹⁾	S\$0.95 million	S\$42.66 million
Maximum Subscription Scenario (only Mr. Oei)	S\$23.36 million ⁽¹⁾	S\$0.95 million	S\$22.41 million
Maximum Subscription Scenario (Concert Party Group)	S\$27.80 million ⁽¹⁾	S\$0.95 million	S\$26.85 million

Note:

- (1) The proceeds raised under each of the Maximum Subscription Scenario, Maximum Subscription Scenario (only Mr. Oei) and Maximum Subscription Scenario (Concert Party Group) do not take into account the proceeds arising from the exercise of the Existing Warrants.

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.

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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.

2.7 Underwriting of the Rights cum Warrants Issue

In connection with the Rights cum Warrants, 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 partially underwritten by UOBKH pursuant to an underwriting agreement dated 12 September 2017 entered into between the Company and UOBKH (the “**Underwriting Agreement**”).

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**”).

The Underwritten Rights Shares (constituting approximately 53.6% of the total number of Rights Shares) are underwritten by the Underwriter at the Issue Price on the terms and subject to the conditions of the Underwriting Agreement. The Underwriting Agreement is conditional upon certain events, including the approval in-principle from the SGX-ST for the listing and quotation of the Rights Shares remaining in full force and effect.

The Underwriter may, under the terms of the Underwriting Agreement, terminate the agreement in certain circumstances, including *inter alia*:

- (a) any material adverse change, or any development involving a material adverse change, in the condition (financial or otherwise) of the Group as a whole;
- (b) there shall have occurred a suspension, moratorium, establishment of minimum or maximum prices or restriction of trading in securities generally on the SGX-ST, The Stock Exchange of Hong Kong Limited, the London Stock Exchange plc or the New York Stock Exchange or any moratorium on or material disruption in banking activities or foreign exchange rating or securities settlement or clearing services in or affecting Singapore, Hong Kong, London or New York, which event or events shall in the sole opinion of the Underwriter, following consultation with the Company to the extent reasonably practicable in the circumstances, is material in the context of the Rights cum Warrants Issue or reasonably likely to prejudice materially the ability of the Underwriter or make it impracticable or inadvisable to market the Rights cum Warrants Issue, to enforce contracts for the subscription and distribution of the Rights Shares and the Rights or dealings in the Rights Shares or the Rights in the secondary market;
- (c) there shall have occurred, since the date of the Underwriting Agreement:
 - (i) any material adverse change or any development involving a prospective material adverse change in the national or international monetary, financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, legal (including but not limited to any changes to taxation laws or regulations), regulatory, industrial or economic conditions or environment (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or exchange controls;
 - (ii) any change, or any development involving a prospective change, or any event, or series of events, in the nature of *force majeure*, whether local, national, regional or international, including, without limitation, an act of government, act of God, outbreak

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or escalation of hostilities or act of terrorism, insurrection, declaration of a state of emergency or war, armed conflict, calamity, crisis, epidemic, outbreak of disease, economic sanctions, strikes, lock-outs, explosion, flooding, earthquake, fire, civil commotion, volcanic eruption or public disorder,

which event or events shall in the sole opinion of the Underwriter, following consultation with the Company to the extent reasonably practicable in the circumstances, be likely to (A) materially prejudice the ability of the Underwriter or make it impracticable or inadvisable for the Underwriter to market the Rights cum Warrants Issue, or (B) make it impracticable or inadvisable for the Underwriter to perform their obligations under the Underwriting Agreement, or (C) make it impracticable or inadvisable for the Underwriter to enforce contracts for the subscription and distribution of the Rights Shares with Warrants, or (D) would or is likely to materially prejudice the success of the Rights cum Warrants Issue or dealings in the Rights Shares in the secondary market, or (E) result in the issue of a stop order by the Authority pursuant to the SFA.

In compliance with Rule 818 of the Catalist Rules, the Underwriter is not entitled to invoke the *force majeure* clause in the Underwriting Agreement after ex-rights trading has commenced.

The Underwriter is a financial institution licensed by the Authority to conduct underwriting activities.

2.8 Sub-underwriting of the Rights cum Warrants Issue

(a) Terms of the Sub-underwriting Commitment

In connection with the Underwriting Agreement, UOBKH has on 11 September 2017 entered into a sub-underwriting agreement with Mr. Oei (the “**Sub-underwriting Agreement**”), 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 Agreement, 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.

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

- (i) 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;
- (ii) the approval of the Shareholders for the Rights cum Warrants Issue being obtained at the EGM to be convened;
- (iii) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, the Warrants, the Adjustment 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;
- (iv) the Whitewash Resolution being approved by the Shareholders that are independent of Mr. Oei (the “**Independent Shareholders**”);
- (v) the Possible Transfer of Controlling Interest being approved by the Shareholders at the EGM to be convened; and

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- (vi) 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 Authority).
- (b) Information on Mr. Oei

As at the Latest Practicable Date, Mr. Oei does not own any Shares or hold any instruments convertible into, rights to subscribe for or options in respect of 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.
- (c) Information on the Concert Party Group
 - (i) Mr. Hano Maeloa holds an aggregate of 307,118,154 Shares and 392,377,519 Existing Warrants. Mr. Hano Maeloa is the nephew of Mr. Oei. He is presumed to be acting in concert with Mr. Oei in relation to the subscription of the Underwritten Rights Shares and the Warrants pursuant to the Sub-underwriting Commitment. Mr. Hano Maeloa is also the Non-Executive Director of the Company; and
 - (ii) Ms. Oei Siu Hoa @ Sukmawati Widjaja holds an aggregate of 17,578,800 Shares and 23,621,512 Existing Warrants. Ms. Oei Siu Hoa @ Sukmawati Widjaja is the sister of Mr. Oei and is the mother of Mr. Hano Maeloa. She is also presumed to be acting in concert with Mr. Oei in relation to the subscription of the Underwritten Rights Shares and the Warrants pursuant to the Sub-underwriting Commitment.

Based on the foregoing, Mr. Hano Maeloa and Ms. Oei Siu Hoa @ Sukmawati Widjaja (the “**Concert Parties**”) are deemed to be acting in concert with Mr. Oei (collectively, the “**Concert Party Group**”).

2.9 Review of Past Performance

The profit and loss statements, the cash flow statements, the balance sheets and the working capital position of the Group for the last three (3) financial years ended 30 June 2015, 2016 and 2017 are set out in **Appendix A** to this Circular.

2.10 Adequacy of Working Capital

The Directors are of the opinion that:

- (a) 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 section 2.6 of this Circular; and
- (b) 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.

2.11 Books Closure Date

Subject to the Shareholders’ approval of the Rights cum Warrants Issue at the EGM, the Books Closure Date for the purpose of determining the Entitled Shareholders’ entitlements under the Rights cum Warrants Issue will be announced at a later date.

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3. THE ADJUSTMENT WARRANTS ISSUE

3.1 Basis of the Adjustment 2013 Warrants Issue

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 one (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 one (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 Latest Practicable Date, 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 (assuming that there are 10,559,328 existing 2013 Warrants held by Entitled Warrant holders as at the Closing Date), 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)**”).

As required by the terms of the 2013 Deed Poll, the Company’s auditors have on 27 September 2017 certified that the above adjustments have been made in accordance with the terms of the 2013 Deed Poll.

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.

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3.2 Basis of the Adjustment 2014 Warrants Issue

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 one (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 Latest Practicable Date, 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 (assuming that there are 773,282,530 existing 2014 Warrants held by Entitled Warrant holders as at the Closing Date), 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)**”).

As required by the terms of the 2014 Deed Poll, the Company’s auditors have on 27 September 2017 certified that the above adjustments have been made in accordance with the terms of the 2014 Deed Poll.

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.

3.3 Basis of the Adjustment 2015 Warrants Issue

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 Latest Practicable Date, there are 2,592,005,566

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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 2,592,005,566 to a maximum of 3,455,921,021 warrants (assuming that there are 2,592,005,566 existing 2015 Warrants held by Entitled Warranholders as at the Closing Date), representing an increase of a maximum of 863,915,455 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 warranholders 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)**”).

As required by the terms of the 2015 Deed Poll, the Company’s auditors have on 27 September 2017 certified that the above adjustments have been made in accordance with the terms of the 2015 Deed Poll.

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.

3.4 Principal Terms of the Adjustment Warrants

Number of Adjustment Warrants	:	Up to 1,125,169,946 Adjustment Warrants to be issued on the terms and conditions of the Relevant Deed Poll
Basis of Allotment	:	0.3333 free Adjustment 2013 Warrants for every one (1) existing 2013 Warrant held by Entitled Warranholders as at the Closing Date, fractional entitlements to be disregarded 0.3333 free Adjustment 2014 Warrants for every one (1) existing 2014 Warrant held by Entitled Warranholders as at the Closing Date, fractional entitlements to be disregarded 0.3333 free Adjustment 2015 Warrants for every one (1) existing 2015 Warrant held by Entitled Warranholders as at the Closing Date, fractional entitlements to be disregarded
Trading	:	The Adjustment 2013 Warrants, the Adjustment 2014 Warrants and the Adjustment 2015 Warrants will be listed and traded separately on the SGX-ST under the book-entry (scripless) settlement system upon the listing and quotation of the 2013 Adjustment Warrants, the Adjustment 2014 Warrants and the the Adjustment 2015 Warrants on the SGX-ST.
Listing of the Adjustment Warrants and the Adjustment Warrant Shares	:	An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the listing of and quotation for the Adjustment Warrants and the Adjustment Warrant Shares. The Company will make the necessary announcement on SGXNET upon the receipt of the listing and quotation notice by the SGX-ST.

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Form and subscription rights : The Adjustment Warrants will be issued in registered form and will be constituted by the Relevant Deed Poll. Subject to the terms and conditions of the Adjustment Warrants as set out in the Relevant Deed Poll, each Adjustment Warrant shall entitle the Entitled Warrantholder, at any time during the relevant exercise period, to subscribe for one (1) Adjustment Warrant Share at the Relevant Warrants Exercise Price in force on the relevant date of exercise of the Relevant Warrants

2013 Warrant Exercise Price : S\$0.01

2014 Warrant Exercise Price : S\$0.01

2015 Warrant Exercise Price : S\$0.004

Exercise Period for the Adjustment 2013 Warrants : The Adjustment 2013 Warrants may be exercised at any time from and including the date of the issue of the 2013 Warrants up to 5.00 p.m. on 16 July 2008, being the date immediately preceding the fifth (5th) anniversary of the date of issue of the existing 2013 Warrants, unless such date is a date on which the Register of Members and/or Register of 2013 Warrantholders of the Company is closed or is not a Market Day, in which event the exercise period shall end on the date prior to the closure of the Register of Members or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Register of 2013 Warrantholders may be closed pursuant to the terms and conditions of the 2013 Warrants as set out in the 2013 Deed Poll. 2013 Warrants remaining unexercised at the expiry of the exercise period shall lapse and cease to be valid for any purpose.

Notice of expiry of the 2013 Warrants shall be given to all 2013 Warrantholders at least one (1) month before the end of the relevant expiry period.

Exercise Period for the Adjustment 2014 Warrants : The Adjustment 2014 Warrants may be exercised at any time from and including the date of the issue of the 2014 Warrants up to 5.00 p.m. on 6 May 2019, being the date immediately preceding the fifth (5th) anniversary of the date of issue of the existing 2014 Warrants, unless such date is a date on which the Register of Members and/or Register of 2014 Warrantholders of the Company is closed or is not a Market Day, in which event the exercise period shall end on the date prior to the closure of the Register of Members or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Register of 2014 Warrantholders may be closed pursuant to the terms and conditions of the 2014 Warrants as set out in the 2014 Deed Poll. 2014 Warrants remaining unexercised at the expiry of the exercise period shall lapse and cease to be valid for any purpose.

Notice of expiry of the 2014 Warrants shall be given to all 2014 Warrantholders at least one (1) month before the end of the relevant expiry period.

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Exercise Period for the Adjustment 2015 Warrants : The Adjustment 2015 Warrants may be exercised at any time from and including the date of issue of the Adjustment 2015 Warrants up to 5.00 p.m. on 19 November 2020, being the date immediately preceding the fifth (5th) anniversary of the date of issue of the existing Adjustment 2015 Warrants, unless such date is a date on which the Register of Members and/or Register of 2015 Warranholders of the Company is closed or is not a Market Day, in which event the exercise period shall end on the date prior to the closure of the Register of Members or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Register of 2015 Warranholders may be closed pursuant to the terms and conditions of the 2015 Warrants as set out in the 2015 Deed Poll. Adjustment 2015 Warrants remaining unexercised at the expiry of the exercise period shall lapse and cease to be valid for any purpose.

Notice of expiry of the Adjustment 2015 Warrants shall be given to all 2015 Warranholders at least one (1) month before the end of the relevant expiry period.

Mode of payment for exercise of Adjustment Warrants : The Relevant Warranholders who exercise their Relevant Warrants must pay the Relevant Warrants Exercise Price by way of (i) remittance in Singapore currency by banker's draft or cashier's order drawn on a bank in Singapore in favour of the Company for the full amount of the Relevant Warrants Exercise Price payable in respect of the Relevant Warrants exercised; or (ii) subject to the Adjustment Warrants being listed on Catalist, by debiting the relevant Relevant Warranholder's CPF Investment Account with the specified CPF Approved Bank, for the credit of the Company for the full amount of the Relevant Warrants Exercise Price payable in respect of the Relevant Warrants exercised.

Adjustments : The Relevant Warrants Exercise Price and the number of Adjustment Warrants to be held by each Relevant Warranholder will be subject to adjustments under certain circumstances provided for in the terms and conditions of the Relevant Warrants as set out in the Relevant Deed Poll.

Such circumstances include, without limitation, consolidation, subdivision or conversion of the Shares, capitalisation issues, rights issues and certain capital distributions.

Any additional Relevant Warrants issued pursuant to such adjustments shall rank *pari passu* with the Adjustment Warrants and the Existing Warrants and will for all purposes form part of the same series. Any such adjustments shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on the SGXNET.

Status of Adjustment Warrant Shares : The Adjustment Warrant Shares arising from the exercise of the Adjustment Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares, save that they will not be entitled to participate in any dividends, rights, allotments or other distributions, that may be declared or paid, the Record Date for which falls before the date of exercise of the Adjustment Warrants.

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Modifications : The Company may, without the consent of the Relevant Warrantheolders but in accordance with the terms and conditions of the Relevant Deed Poll, effect modifications to the terms and conditions of the Relevant Deed Poll including, without limitation, the terms and conditions of the Relevant Warrants, which, in the opinion of the Company, (i) is not materially prejudicial to the interests of the Relevant Warrantheolders or is of a formal, technical or minor nature; (ii) is to correct a manifest error or to comply with mandatory provisions of Singapore law; or (iii) is to vary or replace provisions relating to the transfer or exercise of the Relevant Warrants, including the issue of Adjustment Warrant Shares arising from the exercise thereof or meetings of Relevant Warrantheolders in order to facilitate trading in or the exercise of the Adjustment Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.

Any such modification shall be binding on all Relevant Warrantheolders and all persons having an interest in the Adjustment Warrants and shall be notified to them in accordance with the terms and conditions of the Adjustment Warrants as set out in the Relevant Deed Poll, as soon as practicable thereafter.

Without prejudice to any provision of the Relevant Deed Poll, any material alteration in the terms and conditions of the Adjustment Warrants to the advantage of the Relevant Warrantheolders is subject to the approval of Shareholders except where the alterations are made pursuant to the terms and conditions of the Adjustment Warrants as set out in the Relevant Deed Poll.

Transfer and Transmission : The Adjustment Warrants shall be transferable in lots entitling the Relevant Warrantheolders to subscribe for whole numbers of Adjustment Warrant Shares. A Relevant Warrant may only be transferred in the manner prescribed in the terms and conditions of the Relevant Warrants set out in the Relevant Deed Poll including, *inter alia*, the following:

- (i) Lodgement of Certificates and Transfer Forms – a Relevant Warrantheolder whose Relevant Warrants are registered in his own name (the “**Transferor**”) shall lodge, during normal business hours on any Business Day so as to be received at the specified office of the Warrant Agent, the Transferor's Warrant Certificate(s) together with an instrument of transfer (the “**Transfer Form**”) duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty and accompanied by the fees and expenses set out in the Relevant Deed Poll provided that the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Relevant Warrants to it;

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- (ii) Deceased Warrantholder – the executors and administrators of a deceased Relevant Warrantholder whose Relevant Warrants are registered otherwise than in the name of CDP (not being one of several joint holders whose Relevant Warrants are registered otherwise than in the name of CDP) or if the Relevant Warrantholder is CDP, of a deceased Depositor, and, in the case of one or more of several such joint Relevant Warrantholders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the Warrant Agent as having title to Relevant Warrants registered in the name of a deceased Relevant Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and the payment of the fees and expenses set out in the Relevant Deed Poll, be entitled to be registered as a holder of the Relevant Warrants or to make such transfer as the deceased holder could have made;
- (iii) Relevant Warrants registered in the name of CDP – where the Relevant Warrants are registered in the name of CDP and the Relevant Warrants are to be transferred between Depositors, such Relevant Warrants must be transferred in the Depository Register by CDP by way of book-entry; and
- (iv) Effective Date of Transfer – A Transferor or Depositor, as the case may be, shall be deemed to remain a holder of the Relevant Warrant until the name of the transferee is entered in the relevant Register of Warrantholders by the Warrant Agent or the Depository Register by CDP, as the case may be.

Winding-up

- : Where there is a members' voluntary winding-up of the Company (other than a winding-up for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the Relevant Warrantholders by way of an extraordinary resolution), the Relevant Warrantholders shall be entitled upon and subject to the conditions of the Relevant Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, elect to be treated as if they had immediately prior to the commencement of such winding-up exercised the Relevant Warrants and had on such date been the holders of the Shares to which they would have been entitled pursuant to such exercise, and the liquidator of the Company shall, if permitted by law, give effect to such election accordingly. The Company shall give notice to the Relevant Warrantholders in accordance with the conditions of the Relevant Deed Poll of the passing of any such resolution within seven (7) business days after the passing thereof. Where a Relevant Warrantholder has elected to be treated as if it had exercised its Relevant Warrants as aforesaid, it shall be liable to pay the Relevant Warrants Exercise Price in relation to such exercise.

Subject to the foregoing, if the Company is wound up for any other reason, all Relevant Warrants which have not been exercised at the date of the passing of such resolution shall lapse and cease to be valid for any purpose.

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- Further Issues** : Subject to the terms and conditions of the Relevant Warrants as set out in the Relevant Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and to issue further subscription rights, upon such terms and conditions as the Company sees fit but the Relevant Warranholders shall not have any participating rights in such further issues of Shares or subscription rights unless otherwise resolved by the Company in general meeting.
- Use of CPF Funds** : CPF members may use their savings in the CPF Ordinary Account (subject to the availability of investible savings) for the payment of the Relevant Warrants Exercise Price upon exercise of the Warrants (in which case the Relevant Warrant Shares arising therefrom will be held through the CPF Investment Account). CPF members are NOT permitted to use the CPF monies to:
- (i) purchase the Rights traded on SGX-ST; and/or
 - (ii) purchase the Relevant Warrants traded on SGX-ST (the listing thereof subject to there being a sufficient spread of holdings).
- Warrant Agent** : B.A.C.S. Private Limited
- Governing Law** : Laws of the Republic of Singapore

4. FINANCIAL EFFECTS OF THE RIGHTS CUM WARRANTS ISSUE

4.1 Assumptions

The *pro forma* financial effects of the Rights cum Warrants Issue, based on the audited consolidated financial statements of the Group for FY2017 are set out below. The *pro forma* financial effects are only presented for illustration purposes, and are not intended to reflect the actual future financial situation of the Company or the Group after completion of the Rights cum Warrants Issue. The financial effects are presented herein after taking into account the following assumptions:

- (i) none of the Existing Warrants are exercised on or prior to the Books Closure Date;
- (ii) all the Entitled Shareholders subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants;
- (iii) all the Rights Shares, Warrants and Adjustment Warrants have been issued; and
- (iv) all the Existing Warrants, the Warrants and the Adjustment Warrants are exercised after the completion of the Rights cum Warrants Issue.

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4.2 Net Tangible Assets

The effects on the consolidated NTA of the Group for FY2017 will be as follows:

As at 30 June 2017

NTA as at 30 June 2017 (S\$'000)	26,792
After the issue of the Rights Shares and the Warrants	
Add: Net proceeds from the issue of the Rights Shares (S\$'000)	22,406
NTA after the issue of the Rights Shares (S\$'000)	49,198
Number of Shares after the issue of the Rights Shares ('000)	11,677,950
	0.4

After the issue of the Rights Shares, the Warrants and the Adjustment Warrants, and the exercise of all the Existing Warrants, Warrants and Adjustment Warrants

Add: Net proceeds from the exercise of all the Existing Warrants, Warrants and Adjustment Warrants (S\$'000)	47,631
NTA after the issue of the Rights Shares and the Adjustment Warrants, and the exercise of all the Existing Warrants, Warrants and Adjustment Warrants (S\$'000)	96,829
Number of Shares after the issue of the Rights Shares and the Adjustment Warrants, and the exercise of all the Existing Warrants, Warrants and Adjustment Warrants ('000)	23,964,272

NTA per Share after the issue of the Rights Shares and the Adjustment Warrants, and the exercise of all the Existing Warrants, Warrants and Adjustment Warrants (cents)	0.4
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4.3 Loss per Share

The effects on the consolidated EPS of the Group for FY2017 will be as follows:

FY2017

Net loss attributable to the owners of the Company (S\$'000)	(6,588)
Adjusted net loss attributable to the owners of the Company after the completion of the Rights cum Warrants Issue and the Adjustment Warrants Issue (S\$'000)	(6,588)
Weighted average number of Shares before the Rights cum Warrants Issue and the Adjustment Warrants Issue ('000)	3,891,487
Weighted average number of Shares after the issue of the Rights Shares and the Adjustment Warrants, and the exercise of all the Existing Warrants, Warrants and Adjustment Warrants ('000)	23,963,109
Loss per Share before the issue of the Rights Shares and the Adjustment Warrants, and the exercise of all the Existing Warrants, Warrants and Adjustment Warrants (cents)	(0.17)
Loss per Share after the issue of the Rights Shares and the Adjustment Warrants, and the exercise of all the Existing Warrants, Warrants and Adjustment Warrants (cents)	(0.03)

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4.4 Share Capital

The effects on the share capital of the Company are as follows:

	Number of Shares	Share Capital (S\$)
Existing Share Capital as at the Latest Practicable Date	3,892,653,874	163,695,584
Add: Rights Shares to be issued	7,785,307,748	23,355,923
Issued Share Capital after the Rights Shares are issued	11,677,961,622	187,051,507
Add: New Shares arising from the conversion of all Existing Warrants, Warrants and the Adjustment Warrants	12,286,325,118	47,630,571
Enlarged share capital after the Rights Shares are issued, and after the conversion of all Existing Warrants, Warrants and the Adjustment Warrants	23,964,286,740	234,682,078

4.5 Gearing

Based on the audited consolidated balance sheet of the Group as at 30 June 2017, the Group has no aggregate borrowings from banks and financial institutions less cash in hand ("**Net Borrowings**"). As such, the Group will not have any meaningful net gearing computation before and after the Rights cum Warrants Issue and the Adjustment Warrants Issue.

5. OFFER INFORMATION STATEMENT

An Offer Information Statement will be despatched to Entitled Shareholders subject to, *inter alia*, the approval of Shareholders for the Rights cum Warrants Issue being obtained at the EGM. Acceptances and applications under the Rights cum Warrants Issue can only be made on the following (all of which will form part of the Offer Information Statement):-

- (a) the PAL, in the case of Entitled Scripholders;
- (b) the ARE or through the ATMs of a Participating Bank, in the case of Entitled Depositors; and
- (c) the ARS or through the ATMs of a Participating Bank, in the case of persons purchasing provisional allotments of Rights with Warrants through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore.

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6. THE WHITEWASH RESOLUTION

6.1 Interests of the Concert Party Group

As at the Latest Practicable Date, the interests of the Concert Party Group in the Company are as follows:

	Number of Shares	% of Existing Issued Share Capital ⁽¹⁾	Existing Warrants ⁽²⁾	Number of Shares (assuming all of the Existing Warrants are exercised)	% of Enlarged Share Capital ⁽³⁾ (assuming all of the Existing Warrants are exercised)
Mr. Oei	-	-	-	-	-
<u>Concert Parties</u>					
Mr. Hano Maeloa	307,118,154	7.9	392,377,519	699,495,673	9.6
Ms. Oei Siu Hoa @ Sukmawati Widjaja	17,578,800	0.5	23,621,512	41,200,312	0.6
Concert Party Group	324,696,954	8.3	415,999,031	740,695,985	10.2
Independent Shareholders	3,567,956,920	91.7	2,959,848,393	6,527,805,313	89.8
Total	3,892,653,874	100.0	3,375,847,424	7,268,501,298	100.0

Notes:

- (1) Based on the existing issued and paid-up share capital of the Company of 3,892,653,874 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) As at the Latest Practicable Date, the Company has 3,375,847,424 Existing Warrants.
- (3) Based on the enlarged issued and paid-up share capital of the Company of 7,268,501,298 Shares (excluding treasury shares) assuming that 3,375,847,424 Existing Warrants are exercised.

6.2 Mandatory General Offer Requirement under the Code

Under Rule 14.1 of the 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 30.0% 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 30.0% but not more than 50.0% 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 1.0% 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.

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6.3 Shareholding Scenario

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

(a) Minimum Subscription Scenario

Based on the Minimum Subscription Scenario, the Company will issue 7,785,307,748 Rights Shares and 7,785,307,748 Warrants under the Rights cum Warrants Issue. Accordingly:

- (i) Mr. Oei will not hold any Shares and/or Warrants upon completion of the Rights cum Warrants Issue;
- (ii) the Concert Party Group will hold 974,090,862 Shares, representing approximately 8.3% of the enlarged issued share capital of the Company of 11,677,961,622 Shares immediately upon the issue of the Rights Shares; and
- (iii) upon completion of the Rights cum Warrants Issue:
 - (A) assuming that the Concert Parties exercise all of their 649,393,908 Warrants, the Concert Party Group will hold 1,623,484,770 Shares, representing approximately 13.2% of the enlarged issued share capital of 12,327,355,530 Shares upon the issue of the Warrant Shares; and
 - (B) assuming that only the Concert Parties (and not other Shareholders) exercise all of their 649,393,908 Warrants, 415,999,031 Existing Warrants and 138,652,475 Adjustment Warrants, the Concert Party Group will hold 2,178,136,276 Shares, representing approximately 16.9% of the enlarged issued share capital of 12,882,007,036 Shares upon the issue of the Warrant Shares, the Shares issued upon the exercise of the Existing Warrants and the Adjustment Warrant Shares.

(b) Minimum Subscription Scenario (only Mr. Oei)

Based on the Minimum Subscription Scenario (only Mr. Oei), the Company will issue 7,785,299,728 Rights Shares and 7,785,299,728 Warrants under the Rights cum Warrants Issue. Accordingly:

- (i) Mr. Oei will hold 7,785,299,728 Shares, representing approximately 66.7% of the enlarged issued share capital of the Company of 11,677,953,602 Shares immediately upon the issue of the Rights Shares;
- (ii) the Concert Party Group will hold 8,109,996,682 Shares, representing approximately 69.4% of the enlarged issued share capital of the Company of 11,677,953,602 Shares immediately upon the issue of the Rights Shares; and
- (iii) upon completion of the Rights cum Warrants Issue:
 - (A) assuming that Mr. Oei exercises all of his 7,785,299,728 Warrants, Mr. Oei will hold 15,570,599,456 Shares and the Concert Party Group will hold 15,895,296,410 Shares, representing approximately 80.0% and 81.7% of the enlarged issued share capital of 19,463,253,330 Shares respectively upon the issue of the Warrant Shares; and
 - (B) assuming that Mr. Oei exercises all of his 7,785,299,728 Warrants and only the Concert Parties (and not other Shareholders) exercise all of their 415,999,031 Existing Warrants and 138,652,475 Adjustment Warrants, the Concert Party Group will hold 16,449,947,916 Shares, representing approximately 82.2% of

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the enlarged issued share capital of 20,017,904,836 Shares upon the issue of the Warrant Shares, the Shares issued upon the exercise of the Existing Warrants and the Adjustment Warrant Shares.

(c) Maximum Subscription Scenario

Based on 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. Accordingly:

- (i) Mr. Oei will not hold any Shares and/or Warrants upon completion of the Rights cum Warrants Issue;
- (ii) the Concert Party Group will hold 2,222,087,955 Shares, representing approximately 10.2% of the enlarged issued share capital of the Company of 21,805,503,894 Shares immediately upon the issue of the Rights Shares; and
- (iii) upon completion of the Rights cum Warrants Issue and assuming that only the Concert Parties (and not other Shareholders) exercise all of their 1,481,391,970 Warrants, the Concert Party Group will hold 3,703,479,925 Shares, representing approximately 15.9% of the enlarged issued share capital of 23,286,895,864 Shares upon the issue of the Warrant Shares.

(d) Maximum Subscription Scenario (only Mr. Oei)

Based on the Maximum Subscription Scenario (only Mr. Oei), the Company will issue 7,785,299,728 Rights Shares and 7,785,299,728 Warrants under the Rights cum Warrants Issue. Accordingly:

- (i) Mr. Oei will hold 7,785,299,728 Shares, representing approximately 51.7% of the enlarged issued share capital of the Company of 15,053,801,026 Shares immediately upon the issue of the Rights Shares;
- (ii) the Concert Party Group will hold 8,525,995,713 Shares, representing approximately 56.6% of the enlarged issued share capital of the Company of 15,053,801,026 Shares immediately upon the issue of the Rights Shares;
- (iii) upon completion of the Rights cum Warrants Issue and assuming that Mr. Oei exercises all of his 7,785,299,728 Warrants, Mr. Oei will hold 15,570,599,456 Shares and the Concert Party Group will hold 16,311,295,441 Shares, representing approximately 68.2% and 71.4% of the enlarged issued share capital of 22,839,100,754 Shares respectively upon the issue of the Warrant Shares.

(e) Maximum Subscription Scenario (Concert Party Group)

Based on the Maximum Subscription Scenario (Concert Party Group), the Company will issue 9,266,691,698 Rights Shares and 9,266,691,698 Warrants under the Rights cum Warrants Issue. Accordingly:

- (i) Mr. Oei will hold 7,785,299,728 Shares, representing approximately 47.1% of the enlarged issued share capital of the Company of 16,535,192,996 Shares immediately upon the issue of the Rights Shares;
- (ii) the Concert Party Group will hold 10,007,387,683 Shares, representing approximately 60.5% of the enlarged issued share capital of the Company of 16,535,192,996 Shares immediately upon the issue of the Rights Shares;

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- (iii) upon completion of the Rights cum Warrants Issue:
 - (A) assuming that Mr. Oei exercises all of his 7,785,299,728 Warrants, Mr. Oei will hold 15,570,599,456 Shares and the Concert Party Group will hold 17,792,687,411 Shares, representing approximately 64.0% and 73.2% of the enlarged issued share capital of 24,320,492,724 Shares respectively upon such issue of new Shares; and
 - (B) assuming that Mr. Oei exercises all of his 7,785,299,728 Warrants and the Concert Parties exercise all of their 1,481,391,970 Warrants, the Concert Party Group will hold 19,274,079,381 Shares, representing approximately 74.7% of the enlarged issued share capital of 25,801,884,694 Shares upon the issue of the Warrant Shares.

Based on the foregoing, in each of the Minimum Subscription Scenario (only Mr. Oei), the Maximum Subscription Scenario (only Mr. Oei) and the Maximum Subscription Scenario (Concert Party Group), Mr. Oei and the Concert Party Group may potentially acquire 30.0% or more of the voting rights of the Company arising from the Rights cum Warrants Issue. In such an event, the Concert Party Group would incur an obligation to make a Mandatory Offer for the Company under Rule 14 of the Code unless the said obligation is waived by the SIC.

An application was made by the Company to the SIC for a waiver of the obligation of the Concert Party Group and parties acting in concert with them to make a Mandatory Offer for the Company in the event that the aggregate voting rights of the Concert Party Group in the Company reaches or exceeds 30.0% as a result of the Rights cum Warrants Issue.

The SIC had on 6 November 2017 waived the obligation under Rule 14 of the Code for the Concert Party Group to make a Mandatory Offer for the Company in the event the Concert Party Group increases their aggregate shareholding in the Company to 30% or more based on the Company's enlarged issued share capital as a result of:

- (a) the subscription for Rights Shares pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue,
- (b) the exercise of Warrants subscribed for pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue, or
- (c) the exercise of Adjustment Warrants,

(the "**Whitewash Waiver**").

The Whitewash Waiver is subject to the satisfaction of the SIC Conditions set out in section 6.5 of this Circular.

6.4 Potential Dilution Effect

Please refer to **Appendix B** of this Circular for the dilution effect to the shareholdings of existing Shareholders upon the completion of the Rights cum Warrants Issue.

6.5 Whitewash Waiver

On 6 November 2017, the SIC granted the Whitewash Waiver, subject to, *inter alia*, the following conditions being met:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of the Rights Shares and Warrants and Adjustment Warrants, the Whitewash Resolution by way of poll to waive their rights to receive a general offer from the Concert Party Group;

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- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Concert Party Group, parties acting in concert with them and the parties not independent of them, abstain from voting on the Whitewash Resolution;
- (d) each party of the Concert Party Group did not acquire or is not to acquire any Shares or instruments convertible into and options in respect of the Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Circular):
 - (i) during the period between the date of the Announcement and the date Shareholders' approval is obtained for the Whitewash Resolution; and
 - (ii) in the six (6) months prior to the date of the Announcement, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights cum Warrants Issue and Adjustment Warrants;
- (e) the Company appoints an independent financial adviser to advise its Independent Shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:
 - (i) details of the Rights cum Warrants Issue and Adjustment Warrants;
 - (ii) the possible dilution effect to existing holders of voting rights of the Company due to the Concert Party Group (A) subscribing for the Rights Shares pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue, (B) exercising the Warrants subscribed under the Sub-underwriting Commitment or Rights cum Warrants Issue, or (C) exercising the Adjustment Warrants;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Concert Party Group and their concert parties as at the Latest Practicable Date of the Circular;
 - (iv) the number and percentage of voting rights to be issued to the Concert Party Group as a result of their (A) subscribing for the Rights Shares pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue, (B) exercising the Warrants subscribed for pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue, or (C) exercise of the Adjustment Warrants;
 - (v) specific and prominent reference to the fact that the Concert Party Group ((A) subscribing for the Rights Shares pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue, (B) exercising the Warrants subscribed for pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue, or (C) exercising the Adjustment Warrants might result in the Concert Party Group and their concert parties holding Shares carrying over 49.0% of the voting rights of the Company, and the fact that the Concert Party Group and their concert parties would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;
 - (vi) that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Concert Party Group and their concert parties at the highest price paid by the Concert Party Group for the Shares in the past six (6) months preceding the commencement of the offer; and
 - (vii) that Shareholders, by voting for the Whitewash Resolution, could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of (A) the Warrants

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subscribed for by the Concert Party Group pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue and (B) the Adjustment Warrants to be issued to Mr. Hano Maeloa and Ms. Oei Siu Hoa @ Sukmawati Widjaja;

- (g) the Circular states that the Whitewash Waiver granted by the SIC is subject to the conditions stated at (a) to (f) above;
- (h) the Concert Party Group obtains the SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution;
- (i) to rely on the Whitewash Resolution, the acquisition of Rights Shares and Warrants under the Rights cum Warrants Issue by the Concert Party Group must be completed within three (3) months of the approval of the Whitewash Resolution, and (A) the acquisition of the Warrant Shares by the Concert Party Group upon the exercise of the Warrants and (B) the acquisition of new Shares upon the exercise of the Adjustment Warrants by Mr. Hano Maeloa and Ms. Oei Siu Hoa @ Sukmawati Widjaja must be completed with five (5) years of the date of issue of the Warrants; and
- (j) the Concert Party Group complying or procuring the relevant person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix 1 of the Code.

6.6 Whitewash Resolution

The Independent Shareholders are therefore asked to vote, by way of a poll, on the Whitewash Resolution as set out as Ordinary Resolution 2 in the notice of the EGM attached to this Circular.

The Board has, on behalf of the Company, appointed ZICO Capital Pte. Ltd. as the IFA to advise the Independent Directors on the Whitewash Resolution.

The recommendation of the IFA is outlined in section 6.8 of this Circular. The letter from the IFA dated 21 November 2017, setting out their advice to the Independent Directors on the Whitewash Resolution is set out in **Appendix C** to this Circular (the "IFA Letter").

6.7 Advice to Independent Shareholders

Independent Shareholders should note that:

- (a) **that (i) the subscription of the Rights Shares by the Concert Party Group pursuant to the Sub-underwriting Commitment or the Rights cum Warrants Issue, (ii) the exercise of the Warrants subscribed for pursuant to the Sub-underwriting Commitment or the Rights cum Warrants Issue by the Concert Party Group, and (iii) the exercise of Adjustment Warrants by the Concert Party Group may result in the Concert Party Group and their concert parties holding Shares carrying over 49% of the voting rights of the Company based on its enlarged issued capital and that the Concert Party Group and their concert parties would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;**
- (b) **by voting in favour of the Whitewash Resolution (Ordinary Resolution 2), Shareholders will be waiving their rights to receive a general offer from the Concert Party Group at the highest price paid by the Concert Party Group and their concert parties in the past six (6) months preceding the commencement of the offer which they would have otherwise been obliged to make for the Shares in accordance with Rule 14 of the Code; and**
- (c) **that Shareholders, by voting for the Whitewash Resolution, could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of (i) the Warrants**

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subscribed for by the Concert Party Group pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue and (ii) the Adjustment Warrants to be issued to Mr. Hano Maeloa and Ms. Oei Siu Hoa @ Sukmawati Widjaja.

6.8 Advice from the Independent Financial Adviser

ZICO Capital Pte. Ltd. has been appointed as the IFA to advise the Independent Directors in respect of the Whitewash Resolution.

The IFA Letter setting out the IFA's advice to the Independent Directors in full is reproduced in **Appendix C** of this Circular.

Taking into consideration the factors set out in the IFA Letter, the IFA is of the opinion that the terms of the Rights cum Warrants Issue, being the subject of the Whitewash Resolution, are fair and reasonable, and the Whitewash Resolution, when considered in the context of the Rights cum Warrants Issue, is not prejudicial to the interests of the Independent Shareholders. Accordingly, the IFA has advised that the Independent Directors to recommend that the Independent Shareholders vote in favour of the Whitewash Resolution. However, the recommendation made by the Independent Directors shall remain the responsibility of the Independent Directors.

Shareholders are advised to read and consider the IFA Letter in its entirety as reproduced in **Appendix C** of this Circular and consider carefully the recommendations of the Independent Directors for the Whitewash Resolution set out in section 9.2 of this Circular.

7. POSSIBLE TRANSFER OF CONTROLLING INTEREST

In the event of the Minimum Subscription Scenario (only Mr. Oei):

- (a) Mr. Oei will hold 7,785,299,728 Shares, representing approximately 66.7% of the enlarged issued share capital of the Company of 11,677,953,602 Shares immediately upon the issue of the Rights Shares; and
- (b) upon completion of the Rights cum Warrants Issue, and further assuming that Mr. Oei exercises all of his 7,785,299,728 Warrants, Mr. Oei will hold 15,570,599,456 Shares, representing approximately 80.0% of the enlarged issued share capital of 19,463,253,330 Shares upon the issue of the Warrant Shares.

In the event of the Maximum Subscription Scenario (only Mr. Oei):

- (i) Mr. Oei will hold 7,785,299,728 Shares, representing approximately 51.7% of the enlarged issued share capital of the Company of 15,053,801,026 Shares immediately upon the issue of the Rights Shares; and
- (ii) upon completion of the Rights cum Warrants Issue, and further assuming that Mr. Oei exercises all of his 7,785,299,728 Warrants, Mr. Oei will hold 15,570,599,456 Shares, representing approximately 68.2% of the enlarged issued share capital of 22,839,100,754 Shares upon the issue of the Warrant Shares.

In the event of the Maximum Subscription Scenario (Concert Party Group):

- (A) Mr. Oei will hold 7,785,299,728 Shares, representing approximately 47.1% of the enlarged issued share capital of the Company of 16,535,192,996 Shares immediately upon the issue of the Rights Shares;
- (B) upon completion of the Rights cum Warrants Issue, and further assuming that Mr. Oei exercises all of his 7,785,299,728 Warrants, Mr. Oei will hold 15,570,599,456 Shares, representing approximately 64.0% of the enlarged issued share capital of 24,320,492,724 Shares upon the issue of the Warrant Shares.

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Accordingly, in the event the Entitled Shareholders do not subscribe for their *pro rata* entitlements of Rights Shares with Warrants fully, the subscription by Mr. Oei of the Rights Shares up to the Underwritten Rights Shares, and the exercise of the Warrants in connection therewith, pursuant to the Sub-underwriting Commitment, may result in a transfer of a Controlling Interest in the Company.

In view of the possibility of Mr. Oei acquiring a Controlling Interest in the Company, Shareholders' approval is being sought for the Company to allot and issue the Underwritten Rights Shares and Warrants to Mr. Oei, pursuant to Rule 803 of the Catalist Rules.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As stated in section 2.8(c)(i) of this Circular, Mr. Hano Maeloa is the nephew of Mr. Oei, and is presumed to be acting in concert with Mr. Oei in relation to the subscription of the Underwritten Rights Shares and the Warrants pursuant to the Sub-underwriting Commitment.

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company (other than in their capacity as directors or shareholders of the Company) has any interest, direct or indirect, in the Proposed Resolutions.

8.1 Interests in Shares

As at the Latest Practicable Date, the interests of the Directors in the issued and paid-up share capital as recorded in the Register of Directors' Shareholdings maintained pursuant to section 164 of the Companies Act and the interests of the Substantial Shareholders in the issued and paid-up capital of the Company as recorded in the Register of Substantial Shareholder(s) maintained pursuant to section 88 of the Companies Act are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Dato' Dr Choo Yeow Ming ⁽²⁾	605,645,532	15.56	352,479,500	9.06
Lee Keng Mun	-	-	-	-
Hano Maeloa	307,118,154	7.89	-	-
Dr. Lam Lee G	-	-	-	-
Chew Soo Lin	3,600,036	0.09	-	-
Yap Siean Sin	-	-	-	-
Substantial Shareholder(s) other than Directors				
Goh Yeo Hwa ⁽³⁾	221,341,000	5.69	-	-

Notes:

- (1) The percentage of Shares is computed based on 3,892,653,874 Shares, being the total number of issued voting shares of the Company (excluding treasury shares) as at the Latest Practicable Date.
- (2) By virtue of section 7 of the Companies Act, Dato' Dr. Choo Yeow Ming is deemed to have an interest in Shares held by Summers Overseas Limited (1.59%), Seymour Pacific Limited (3.10%) and Orient Achieve Limited (4.37%). These deemed interests are held through nominees.
- (3) Goh Yeo Hwa's direct interest of 154,407,000 Shares are registered under nominees. The remaining 66,934,000 Shares are registered under the name of Goh Yeo Hwa.

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8.2 Interests in Warrants

As at the Latest Practicable Date, based on the information in the warrant registers and the depository registers maintained by the warrant agent and by the CDP respectively pursuant to the terms and conditions of the existing warrants of the Company, the interests of the Directors and holders of more than 5.0% of the existing warrants of the Company are as follows:

2013 Warrants

	Direct Interest		Deemed Interest	
	Number of 2013 Warrants	%(1)	Number of 2013 Warrants	%(1)
Directors				
Dato' Dr Choo Yeow Ming	-	-	-	-
Lee Keng Mun	-	-	-	-
Hano Maeloa	-	-	-	-
Dr. Lam Lee G	-	-	-	-
Chew Soo Lin	-	-	-	-
Yap Siean Sin	-	-	-	-
Holders of 2013 Warrants				
Philip Securities Pte Ltd	5,197,614	49.22	-	-
Raffles Nominees (Pte) Ltd	1,260,030	11.93	-	-
Kam Keng Seng	539,175	5.11	-	-

Note:

(1) The percentage interest is based on the existing 10,559,328 2013 Warrants as at the Latest Practicable Date.

2014 Warrants

	Direct Interest		Deemed Interest	
	Number of 2014 Warrants	%(1)	Number of 2014 Warrants	%(1)
Directors				
Dato' Dr Choo Yeow Ming	-	-	-	-
Lee Keng Mun	-	-	-	-
Hano Maeloa	187,632,083	24.26	-	-
Dr. Lam Lee G	-	-	-	-
Chew Soo Lin	5,362,573	0.69	-	-
Yap Siean Sin	-	-	-	-
Holders of 2014 Warrants				
Philip Securities Pte Ltd	93,025,933	12.03	-	-
Citibank Nominees Singapore Pte Ltd	75,611,250	9.78	-	-
Leong Fook Weng	49,290,418	6.37	-	-
UOB Kay Hian Pte Ltd	39,049,749	5.05	-	-

Note:

(1) The percentage interest is based on the existing 773,282,530 2014 Warrants as at the Latest Practicable Date.

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2015 Warrants

	Direct Interest		Deemed Interest	
	Number of 2015 Warrants	%(¹)	Number of 2015 Warrants	%(¹)
Directors				
Dato' Dr Choo Yeow Ming	403,763,688	15.58	121,653,000	4.69
Lee Keng Mun	-	-	-	-
Hano Maeloa	204,745,436	7.9	-	-
Dr. Lam Lee G	-	-	-	-
Chew Soo Lin	2,400,000	0.09	-	-
Yap Siean Sin	-	-	-	-
 Holders of 2015 Warrants				
Citibank Nominees Singapore Pte Ltd	359,451,000	13.87	-	-
Raffles Nominees (Pte) Ltd	317,523,552	12.25	-	-
Goh Yeo Hwa	168,894,100	6.51	-	-

Note:

(1) The percentage interest is based on the existing 2,592,005,566 2015 Warrants as at the Latest Practicable Date.

9. DIRECTORS' RECOMMENDATION

9.1 Rights cum Warrants Issue

Having considered the terms and conditions of and rationale for the Rights cum Warrants Issue, the Directors are of the opinion that the Rights cum Warrants Issue is in the best interests of the Company.

Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 1 relating to the Rights cum Warrants Issue, as set out in the Notice of EGM.

9.2 Whitewash Resolution

Mr. Hano Maeloa is the nephew of Mr. Oei, and is presumed to be acting in concert with Mr. Oei in relation to the subscription of the Underwritten Rights Shares and the Warrants pursuant to the Sub-underwriting Commitment. Accordingly, as Mr. Hano Maeloa is not considered to be independent for the purposes of the Whitewash Resolution, he will abstain from making any recommendations on the Whitewash Resolution.

Having considered the rationale for the Rights cum Warrants Issue and advice of the IFA, the Independent Directors are of the opinion that the Whitewash Resolution is in the best interests of the Company and is not prejudicial to the interests of the Independent Shareholders.

Accordingly, the Independent Directors recommend that the Independent Shareholders vote in favour of Ordinary Resolution 2 relating to the Whitewash Resolution, as set out in the Notice of EGM.

9.3 Possible Transfer of Controlling Interest

Having considered the rationale for the Rights cum Warrants Issue, the Directors are of the opinion that the Possible Transfer of Controlling Interest is in the best interests of the Company and is not prejudicial to the interests of the Shareholders.

Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 3 relating to the Possible Transfer of Controlling Interest, as set out in the Notice of EGM.

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9.4 Note to Shareholders

Shareholders, in deciding whether to vote in favour of the ordinary resolutions, should read carefully the terms and conditions, rationale and financial effects of the Rights cum Warrants Issue, and in respect of the Whitewash Resolution, consider carefully the advice of the IFA. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

10. ABSTENTION FROM VOTING

Pursuant to the Whitewash Waiver, Mr. Oei, his concert parties and parties not independent of him, Mr. Hano Maeloa, his concert parties and parties not independent of him, and Ms. Oei Siu Hoa @ Sukmawati Widjaja, her concert parties and parties not independent of her will abstain from voting at the EGM on Ordinary Resolution 2 relating to the Whitewash Resolution.

The Concert Party Group and their concert parties will also decline to accept appointment as proxies for any Shareholder to vote in respect of Ordinary Resolution 2 relating to the Whitewash Resolution, unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of the said resolution.

11. CONSENT OF THE IFA

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter, and all references thereto, in the form and context in which they appear in this Circular.

12. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Guild Room, The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 038983 on 6 December 2017 at 11.00 a.m. for the purpose of considering and, if thought fit, passing with or without modification(s), the resolutions as set out in the Notice of EGM.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 48 hours before the time fixed for the EGM. The completion and lodgment of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the EGM.

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14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquires that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Rights cum Warrants Issue, the Whitewash Resolution, the Possible Transfer of Controlling Interest and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information 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 these sources and/or reproduced in this Circular in its proper form and context.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company during normal business hours from the date of this Circular to the time and date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2015, FY2016 and FY2017;
- (c) the IFA Letter; and
- (d) the letter of consent from the IFA dated 21 November 2017.

Yours faithfully

For and on behalf of
the Board of Directors of
ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED
Dato' Dr Choo Yeow Ming
Chairman and Chief Executive Officer

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

1. Consolidated Income Statements

The audited consolidated income statements of the Group for FY2015, FY2016 and FY2017 are set out below:

	FY2015 S\$'000 (restated)	FY2016 S\$'000 (restated)	FY2017 S\$'000
Continuing operations			
Revenue	73	8,325	16,329
Cost of services	-	(7,680)	(15,297)
Gross profit	73	645	1,032
Other gains/(losses), net	1,455	(91,755)	(1,886)
Expenses			
- Distribution and marketing	-	(89)	(545)
- Administrative	(2,356)	(5,988)	(4,941)
Loss before income tax	(828)	(97,187)	(6,340)
Income tax (expense)/credit	(15)	3	(72)
Loss from continuing operations	(843)	(97,184)	(6,412)
Discontinued operations			
Loss from discontinued operations	(1,410)	(506)	(176)
Total loss attributable to equity holders of the Company	(2,253)	(97,690)	(6,588)
Weighted average number of shares ('000)	1,670,015	3,392,439	3,891,487
Loss per share			
Basic and diluted loss per share (cents)	(0.13)	(2.88)	(0.17)
Dividends per share (cents)	-	-	-

Notes:

- (1) With effect from 1 July 2016, the Group and the Company enacted to change the presentation currency from Malaysian Ringgit ("RM") to Singapore Dollar ("S\$"). The change in presentation currency has been applied retrospectively in accordance with FRS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Prior periods comparative numbers for the Group in the financial statements have been restated in Singapore Dollars in order to provide meaningful comparable information.
- (2) In FY2016, the Group consolidated the results of the following new wholly-owned subsidiaries:
 - Century 21 Hong Kong Limited ("C21 HK") (with effect from 21 October 2015);
 - Global Alliance Property Pte Ltd ("GAP") (with effect from 2 February 2016); and
 - Century 21 (AsPac) Realty Pte Ltd ("C21 AsPac"), a wholly-owned subsidiary of GAP (with effect from 10 March 2016).

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

- (3) In FY2016, the Group completed the disposal of HMS Capital Sdn Bhd and its subsidiary corporations (“**HMSC Group**”).

In FY2017, the Group completed the disposal of C21 HK and its wholly owned subsidiary corporation (“**C21 Group**”).

In compliance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, the entire results of C21 Group and HMSC Group are presented separately in the income statements as “Discontinued Operations”.

Discontinued operations for FY2015 include the results of HMSC Group.

Discontinued operations for FY2016 include the results of both HMSC Group from 1 July 2015 to 4 February 2016 and C21 Group from 21 October 2015 to 30 June 2016.

Discontinued operations for FY2017 include the results of C21 Group from 1 July 2016 to 15 November 2016.

A review of the operations, business and financial performance of the Group is set out below:

FY2015 vs FY2014

Revenue

Revenue of S\$73,000 in FY2015, which consisted of management service fee income, was at the same level as that recorded in FY2014.

Other gains, net

In FY2015, a net other gains of S\$1.5 million was recorded as opposed to a net other losses of S\$172,000 in FY2014. The gain in FY2015 was mainly due to gains derived from the disposal/redemption of financial assets held for trading of S\$1.1 million, dividends income of S\$774,000 and foreign exchange gain of S\$569,000. This was offset by a fair value loss of S\$945,000 on financial assets.

Loss from discontinued operations

The discontinued operations reported a loss of S\$1.4 million in FY2015, which was at the same level as that reported in FY2014.

Net loss

The Group reported an improved net loss of S\$2.3 million in FY2015 as compared with the net loss of S\$3.4 million posted in FY2014.

FY2016 vs FY2015

Revenue, cost of services and gross profit

Revenue, cost of services and gross profit of S\$8.3 million, S\$7.7 million and S\$645,000 respectively in FY2016 was due mainly to the consolidation of the results of the new wholly-owned subsidiaries, GAP and C21 (AsPac).

Other losses, net

The net other losses of S\$91.8 million in FY2016 was due mainly to an amount of S\$93.7 million loss from the disposal of HMSC Group and S\$3.8 million on allowance for impairment loss of available-for-sale financial assets, offset by fair value gain on financial assets at fair value through profit or loss of S\$1.4 million and reversal of other payable of S\$4 million.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Distribution and marketing expenses *Administrative expenses*

The increase in distribution and marketing expenses, and administrative expenses in FY2016 stemmed from the inclusion of results from GAP and C21 AsPac, as well as an allowance for impairment of trade and other receivables of S\$1.9 million, a S\$208,000 increase in donations and S\$304,000 increase in professional fees.

Loss from discontinued operations

The discontinued operations turned in a lower loss of S\$506,000 in FY2016 as compared to S\$1.4 million in FY2015 largely due to the exclusion of HMSC Group's results after the disposal on 4 February 2016.

Net loss

The Group reported a net loss of S\$97.7 million in FY2016, which was greater than the net loss of S\$2.3 million posted in FY2015, mainly due to higher "other losses, net" and administrative expenses, offset by higher gross profit as well as lower net loss from discontinued operations as mentioned above.

FY2017 vs FY2016

Revenue, cost of services and gross profit

Revenue, cost of services and gross profit for FY2017 increased to 16.3 million, S\$15.3 million and S\$1.0 million respectively due to the consolidation of the full year results of the wholly-owned subsidiary corporations, GAP and C21 (AsPac) which were acquired on 2 February 2016 and 10 March 2016 respectively.

Other losses, net

The net other losses of S\$1.9 million in FY2017 was attributable mainly to the fair value loss on financial assets at fair value through profit or loss of S\$1.9 million, a foreign exchange loss of S\$703,000 and the loss on disposal of subsidiary corporations of S\$377,000. The loss was partially offset by a dividend income of S\$662,000 and an interest income of S\$268,000. The other losses, net for FY2016 was mainly due to the loss on disposal of subsidiary corporations amounting to S\$93.7 million that was completed on February 2016.

Distribution and marketing expenses

The increase in distribution and marketing expenses for FY2017 stemmed from the inclusion of the full year results of newly acquired subsidiary corporations as mentioned above.

Administrative expenses

The administrative expenses for FY2017 were lower than that for FY2016 even though the Group consolidated the full year results of GAP and C21 AsPac. This was due mainly to the fact that there was no allowance for impairment loss of trade and other receivables in FY2017 as compared to S\$1.9 million recognised in FY2016.

Loss from discontinued operations

The loss from discontinued operations in FY2017 was due to the results of C21 Group from 1 July to 15 November 2016, whereas the loss from discontinued operations reported in FY2016 was from both C21 Group from 21 October 2015 to 30 June 2016 and HMSC Goup from 1 July to 4 February 2016 respectively.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Net loss

In FY2017, the Group reported a net loss of S\$6.6 million, which was lower than the loss of S\$97.7 million reported in FY2016. This was due mainly to lower “other losses, net”, administrative expenses and lower net loss from discontinued operations, offset by higher distribution and marketing expenses as mentioned above.

2. Consolidated Balance Sheets

The audited consolidated balance sheets of the Group as at 30 June 2015, 30 June 2016, and 30 June 2017 are set out below:

	As at 30 June 2015 S\$'000 (restated)	As at 30 June 2016 S\$'000 (restated)	As at 30 June 2017 S\$'000
ASSETS			
Current assets			
Cash and cash equivalents	4,266	12,078	1,198
Financial assets, at fair value through profit or loss	12,412	14,336	15,024
Trade and other receivables	1,995	13,307	13,022
Other current assets	111	467	399
Available-for-sale financial assets	-	2,000	2,000
	18,784	42,188	31,643
Assets of disposal group classified as held-for-sale	26,435	-	-
	45,219	42,188	31,643
Non-current assets			
Available-for-sale financial assets	6,492	-	-
Property, plant and equipment	23	503	574
Intangible assets	-	1,582	1,096
	6,515	2,085	1,670
Total assets	51,734	44,273	33,313
LIABILITIES			
Current liabilities			
Trade and other payables	67	9,529	5,205
Current income tax liabilities	15	88	16
	82	9,617	5,221
Liabilities directly associated with disposal group classified as held-for-sale	9,814	-	-
	9,896	9,617	5,221

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

	As at 30 June 2015 S\$'000 (restated)	As at 30 June 2016 S\$'000 (restated)	As at 30 June 2017 S\$'000
Non-current liabilities			
Other payable	4,000	-	-
Provisions	-	165	204
Deferred income tax liabilities	-	86	21
	4,000	251	225
Total liabilities	13,896	9,868	5,446
Net assets	37,838	34,405	27,867
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	146,634	161,325	161,334
Other reserves	(95,546)	(15,980)	(15,939)
Accumulated losses	(13,250)	(110,940)	(117,528)
Total equity	37,838	34,405	27,867

Review of balance sheet as at 30 June 2015

Current assets

Cash and cash equivalents

As at 30 June 2015, the Group's cash and cash equivalents mainly comprised of cash at bank.

Financial assets, at fair value through profit or loss

The financial assets, at fair value through profit or loss as at 30 June 2015 consisted of investment in quoted securities that offer the Group the opportunity for return through dividend income and fair value gains.

Trade and other receivables

Trade and other receivables as at 30 June 2015 mainly consisted of other receivables from advance payments to consultants for technical due diligence carried out in connection with the proposed acquisition of Coeur Gold Armenia Ltd.

Other current assets

Other current assets as at 30 June 2015 mainly comprised of utilities deposits of S\$93,000 and prepaid operating expenses of S\$18,000.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Assets of disposal group classified as held-for-sale

This consisted of assets of HMSC Group which was disposed on 4 February 2016.

The details of assets in disposal group classified as held-for-sale are as follows:

	S\$'000
Cash and cash equivalents	8,226
Trade and other receivables	2,304
Inventories and development expenditure	14,475
Other current assets	73
Property, plant and equipment	1,357
	<hr/>
	26,435
	<hr/> <hr/>

Non-current assets

Available-for-sale financial assets

This consists of a 22.3% equity interest in a company engaged in mineral mining industry. The Group has classified the investment in this company as available-for-sale financial assets, as the Group does not have a significant influence over the company.

Property, plant and equipment

The property, plant and equipment consisted of office renovation, office equipment, furniture and fittings.

Current Liabilities

Trade and other payables

As at 30 June 2015, trade and other payables comprised of other payables of S\$15,000 and accrued operating expenses of S\$52,000.

Current income tax liabilities

As at 30 June 2015, The Group recorded income tax payable of S\$15,000.

Liabilities directly associated with disposal group classified as held-for-sale

This consisted of liabilities of HMSC Group which was disposed on 4 February 2016.

The details of liabilities directly associated with disposal group classified as held-for-sale are as follows:

	S\$'000
Trade and other payables	9,720
Borrowings	94
	<hr/>
	9,814
	<hr/> <hr/>

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Non-current liabilities

Other payable

The other payable is the amount payable to the vendor of available-for-sale financial assets in the form of a convertible promissory note. The note shall only be issued by the Group if the gold mine commences production of gold.

Equity

Shareholders' equity

As at 30 June 2015, shareholders' equity amounted to S\$37.8 million, comprising of S\$146.6 million of share capital. This balance was offset by restructuring reserve of S\$89.6 million, translation reserve of S\$6.4 million and accumulated losses of S\$13.3 million.

Review of balance sheet as at 30 June 2016

Current assets

Cash and cash equivalents

As at 30 June 2016, the Group's cash and cash equivalents mainly comprised of cash at bank.

Financial assets, at fair value through profit and loss

The financial assets, at fair value through profit or loss as at 30 June 2016 consisted of investment in quoted securities that offer the Group the opportunity for return through dividend income and fair value gains.

Trade and other receivables

Trade and other receivables as at 30 June 2016 mainly consisted of:

- (i) trade receivables of S\$4.7 million;
- (ii) balance of purchase consideration due from the purchaser of HMSC Group of S\$2.9 million; and
- (iii) working capital loan of S\$5.5 million granted to 中房集团联合投资股份有限公司 (“中房联合投资”). 中房联合投资 is one of the vendors of 中房联合置业集团有限公司 (“中房联合置业”), the target company pursuant to a sale and purchase agreement entered into between the Company and the vendors of 中房联合置业.

Other current assets

Other current assets as at 30 June 2016 mainly comprised of utilities deposits of S\$293,000 and prepaid operating expenses of S\$174,000.

Available-for-sale financial assets

This consists of a 22.3% equity interest in a company engaged in mineral mining industry. The Group has classified the investment in this company as available-for-sale financial assets, as the Group does not have a significant influence over the company.

Fair value of the unquoted equity securities is determined based on the bid price from the potential buyer as the management has intended to dispose of the unquoted equity securities. Consequently, the Group recognised an impairment loss of S\$3.8 million.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Non-current assets

Property, plant and equipment

The property, plant and equipment consisted office renovation, office equipment, furniture and fittings.

Intangible assets

These items represent goodwill arising from consolidation amounting to S\$1.1 million and franchise rights of S\$465,000.

Current Liabilities

Trade and other payables

As at 30 June 2016, trade and other payables comprised of trade payables of S\$4.5 million, other payables of S\$4.1 million and accrued operating expenses of S\$800,000.

Current income tax liabilities

As at 30 June 2016, the Group recorded income tax payable of S\$88,000.

Non-current liabilities

Other payable

Due to the change in circumstances, certain terms and conditions of the sales and purchase agreement of the available-for-sale financial assets would not be met. In view that the constructive obligation arising from the acquisition of the available-for-sale financial assets is no longer probable, the amount of other payable was consequently reversed to income statement.

Provisions

The provisions relate to the Group's obligation to reinstate leased premises to its original condition upon termination of the leases and is based on the Group's experience in similar situation.

Deferred income tax liabilities

The deferred tax liabilities are recognised for the fair value of intangible assets derived upon the acquisition of subsidiary corporations during the financial year ended 30 June 2016.

Equity

Shareholders' equity

As at 30 June 2016, shareholders' equity amounted to S\$34.4 million, comprising of S\$161.3 million of share capital. This balance was offset by translation reserve of S\$16.0 million and accumulated losses of S\$110.9 million.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Review of balance sheet as at 30 June 2017

Current assets

Cash and cash equivalents

As at 30 June 2017, the Group's cash and cash equivalents mainly comprised cash at bank.

Financial assets, at fair value through profit and loss

The financial assets, at fair value through profit or loss as at 30 June 2017 consisted of investment in quoted securities that offer the Group the opportunity for return through dividend income and fair value gains.

Trade and other receivables

Trade and other receivables as at 30 June 2017 mainly consisted of:

- (i) trade receivables of S\$4.6 million;
- (ii) balance of purchase consideration due from the purchaser of HMSC Group of S\$2.4 million; and
- (iii) working capital loan of S\$5.5 million granted to 中房集团联合投资股份有限公司 (“中房联合投资”). 中房联合投资 is one of the vendors of 中房联合置业集团有限公司 (“中房联合置业”), the target company pursuant to a sale and purchase agreement entered into between the Company and the vendors of 中房联合置业.

Other current assets

Other current assets as at 30 June 2017 mainly comprised of utilities deposits of S\$232,000 and prepaid operating expenses of S\$167,000.

Available-for-sale financial assets

This consists of a 22.3% equity interest in a company engaged in mineral mining industry. The Group has classified the investment in this company as available-for-sale financial assets, as the Group does not have a significant influence over the company.

Fair value of the unquoted equity securities is determined based on the bid price from the potential buyer as the management has the intention to dispose of the unquoted equity securities.

Non-current assets

Property, plant and equipment

The property, plant and equipment consisted of office renovation, office equipment, furniture and fittings.

Intangible assets

These items represent goodwill arising from consolidation amounting to S\$1.0 million and franchise rights of S\$72,000.

Current Liabilities

Trade and other payables

As at 30 June 2017, trade and other payables comprised of trade payables of S\$4.7 million, other payables of S\$163,000 and accrued operating expenses of S\$339,000.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Current income tax liabilities

As at 30 June 2017, The Group recorded income tax payable of S\$16,000.

Non-current liabilities

Provisions

The provisions relate to the Group's obligation to reinstate leased premises to its original condition upon termination of the leases and is based on the Group's experience in similar situation.

Deferred income tax liabilities

The deferred tax liabilities are recognised for the fair value of intangible assets derived upon the acquisition of subsidiary corporations during the previous financial year ended 30 June 2016.

Equity

Shareholders' equity

As at 30 June 2017, shareholders' equity amounted to S\$27.9 million, comprising of S\$161.3 million of share capital. This balance was offset by translation reserve of S\$15.9 million and accumulated losses of S\$117.5 million.

3. Statements of Cash Flow

The audited consolidated statements of cash flow of the Group for FY2015, FY2016 and FY2017 are set out below:

	FY2015	FY2016	FY2017
	S\$'000	S\$'000	S\$'000
	(restated)	(restated)	
Cash flows from operating activities			
Total loss	(2,254)	(97,690)	(6,588)
Adjustments for:			
Income tax expense/(credit)	15	(3)	72
Interest expense	51	19	-
Interest income	(215)	(297)	(268)
Dividend income	-	(207)	(662)
Depreciation of property, plant and equipment	16	92	260
Plant, plant and equipment written-off	11	59	119
Amortisation of intangible assets	-	51	122
Loss on disposal of subsidiary corporations	-	93,735	377
Impairment loss on available-for-sale financial assets	-	3,794	-
Reversal of other payable	-	(4,000)	-
Reclassification from other comprehensive income	-	(492)	-
Unrealised currency translation losses	-	28	-
	(2,376)	(4,911)	(6,568)

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

	FY2015 S\$'000 (restated)	FY2016 S\$'000 (restated)	FY2017 S\$'000
Changes in working capital, net of effects from acquisition and disposal of subsidiary corporations			
Trade and other receivables	(947)	(6,244)	427
Inventories and development expenditure	1,580	84	-
Other current assets	47	(548)	(25)
Financial assets, at fair value through profit or loss	(3,515)	(2,645)	(688)
Trade and other payables	444	7,412	9,778
Cash (used in)/generated from operations	(4,767)	(6,852)	2,924
Income tax paid, net	(14)	(9)	(79)
Interest received	215	127	-
Net cash (used in)/provided by operating activities	(4,566)	(6,734)	2,845
Cash flows from investing activities			
Additions to property, plant and equipment	(149)	(51)	(418)
Purchase of available-for-sale financial assets	(2,000)	-	-
Acquisition of subsidiary corporations, net of cash acquired	-	584	-
Disposal of subsidiary corporations, net of cash disposed of	-	(2,612)	(14,313)
Dividends received	-	207	662
Net cash used in investing activities	(2,149)	(1,872)	(14,069)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	-	12,969	-
Share issue expenses	-	(351)	-
Proceeds from issuance of ordinary shares pursuant to exercise of warrants	4,621	1,006	9
Increase in pledged short term bank deposits	(248)	-	-
Repayment of finance lease liabilities, net	(74)	(17)	-
Interest paid	(30)	(19)	-
Net cash from financing activities	4,269	13,588	9
Net (decrease)/increase in cash and cash equivalents	(2,446)	4,982	(11,215)
Cash and cash equivalents			
Beginning of financial year	11,158	7,318	12,078
Effects of currency translation on cash and cash equivalents	(1,394)	(222)	335
End of financial year	7,318	12,078	1,198

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

A review of the cash flow position for the Group for FY2015, FY2016 and FY2017 is set out below:

FY2015

The net cash used in operating activities of S\$4.6 million resulted from an operating loss before working capital changes of S\$2.4 million and a negative change in working capital of S\$2.4 million. These items were offset by interest income earned totaling S\$215,000.

The net cash used in investing activities of S\$2.2 million arose mainly from the purchase of available-for-sale financial assets.

The net cash from financing activities of S\$4.3 million arose mainly from the proceeds from the exercise of warrants.

As at 30 June 2015, cash and cash equivalents amounted to S\$7.3 million.

FY2016

The net cash used in operating activities of S\$6.7 million resulted from an operating loss before working capital changes of S\$4.9 million and a negative change in working capital of S\$1.9 million. These items were offset by interest income earned totaling S\$127,000.

The net cash used in investing activities of S\$1.9 million was mainly arose from disposal of subsidiary corporations. These items were offset by cash inflow from acquisition of subsidiary corporations and dividend income received.

The net cash from financing activities of S\$13.6 million arose mainly from the proceeds from the 2015 Rights cum Warrant Issue as well as the exercise of warrants.

As at 30 June 2016, cash and cash equivalents amounted to S\$12.1 million.

FY2017

The net cash provided by operating activities of S\$2.9 million resulted from a positive change in working capital of S\$9.5 million. It was offset by an operating loss before working capital changes of S\$6.6 million and income tax paid amounting to S\$79,000.

The net cash used in investing activities of S\$14.1 million was mainly attributable to the cash outflow from the disposal of subsidiary corporation of S\$14.3 million.

As at 30 June 2016, cash and cash equivalents amounted to S\$1.2 million.

4. Working Capital

The working capital of the Group as at 30 June 2015, 30 June 2016 and 30 June 2017 are set out below:

	As at 30 June 2015 S\$'000 Audited	As at 30 June 2016 S\$'000 Audited	As at 30 June 2017 S\$'000 Audited
Total current assets	45,219	42,188	31,643
Total current liabilities	9,896	9,617	5,221
Net working capital	35,323	32,571	26,422

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

A review of the working capital of the Group as at 30 June 2015, 30 June 2016 and 30 June 2017 is set out below:

As at 30 June 2015 compared to 30 June 2014

The decrease in net working capital of S\$3.1 million from S\$38.4 million as at 30 June 2014 to S\$35.3 million as at 30 June 2015 was due to the decrease in cash and cash equivalent of S\$11.2 million and decrease in assets of disposal group classified as held-for-sale of S\$2.5 million. The decrease was partly offset by the increase in financial assets, at fair value through profit or loss of S\$2.5 million and the decrease in bank borrowings of S\$6.9 million.

As at 30 June 2016 compared to 30 June 2015

The decrease in net working capital of S\$2.7 million from S\$35.3 million as at 30 June 2015 to S\$32.6 million as at 30 June 2016 was due to the decrease in assets of disposal group classified as held-for-sale of S\$26.4 million and the increase in trade and other payables of S\$9.5 million. The decrease was partly offset by the increase in cash and cash equivalents of S\$7.8 million, increase in financial assets at fair value through profit or loss of S\$1.9 million, increase in trade and other receivables of S\$11.3 million, increase in available-for-sale financial assets of S\$2 million and the decrease in liabilities directly associated with disposal group classified as held-for-sale of S\$9.8 million.

As at 30 June 2017 compared to 30 June 2016

The decrease in net working capital of S\$6.2 million from S\$32.6 million as at 30 June 2016 to S\$26.4 million as at 30 June 2017 was due to the decrease in cash and cash equivalent of S\$10.9 million. The decrease was partly offset by the increase in financial assets, at fair value through profit or loss of S\$688,000, and the decrease in trade and other payables of S\$4.3 million.

APPENDIX B – 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 potential dilution effects of the Rights cum Warrants Issue on existing Shareholders after the completion of the Rights cum Warrants Issue is set out below:

(a) Minimum Subscription Scenario

	Before the Rights cum Warrants Issue		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares)		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares and after the exercise by only the Concert Party Group of all their Warrants, Existing Warrants and Adjustment Warrants)		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares and after the exercise of all the Warrants, the Existing Warrants and the Adjustment Warrants)	
	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital
Independent Shareholders	3,567,956,920	91.7	10,703,870,760 ⁽¹⁾	91.7	10,703,870,760	83.1	21,786,150,464 ⁽⁴⁾	90.9
Concert Party Group	324,696,954	8.3	974,090,862	8.3	2,178,136,276	16.9	2,178,136,276	9.1
Concert Parties	324,696,954	8.3	974,090,862 ⁽²⁾	8.3	2,178,136,276 ⁽³⁾	16.9	2,178,136,276	9.1
Mr. Oei	-	-	-	-	-	-	-	-
Total	3,892,653,874	100.0	11,677,961,622	100.0	12,882,007,036	100.0	23,964,286,740	100.0

Notes:

- (1) An aggregate 7,135,913,840 Rights Shares shall be issued to the Independent Shareholders upon completion of the Rights cum Warrants Issue.
- (2) An aggregate 649,393,908 Rights Shares shall be issued to the Concert Parties upon completion of the Rights cum Warrants Issue.
- (3) Assuming the exercise of 649,393,908 Warrants issued under the Rights cum Warrants Issue, 415,999,031 Existing Warrants and 138,652,475 Adjustment Warrants.
- (4) Assuming the exercise of 7,135,913,840 Warrants issued under the Rights cum Warrants Issue, 2,959,848,393 Existing Warrants and 986,517,471 Adjustment Warrants.

APPENDIX B – SHAREHOLDING EFFECTS OF THE RIGHTS CUM WARRANTS ISSUE

(b) Minimum Subscription Scenario (only Mr. Oei)

	Before the Rights cum Warrants Issue		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares)		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares and after the exercise by only the Concert Party Group of all their Warrants, Existing Warrants and Adjustment Warrants)		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares and after the exercise of all the Warrants, the Existing Warrants and the Adjustment Warrants)	
	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital
Independent Shareholders	3,567,956,920	91.7	3,567,956,920	30.6	3,567,956,920	17.8	7,514,322,784 ⁽⁴⁾	31.4
Concert Party Group	324,696,954	8.3	8,109,996,682	69.4	16,449,947,916	82.2	16,449,947,916	68.6
Concert Parties	324,696,954	8.3	324,696,954	2.7	879,348,460 ⁽³⁾	4.4	879,348,460	3.7
Mr. Oei	-	-	7,785,299,728 ⁽¹⁾	66.7	15,570,599,456 ⁽²⁾	77.8	15,570,599,456	65.0
Total	3,892,653,874	100.0	11,677,953,602	100.0	20,017,904,836	100.0	23,964,270,700	100.0

Notes:

- (1) An aggregate 7,785,299,728 Rights Shares shall be issued to Mr. Oei upon completion of the Rights cum Warrants Issue.
- (2) Assuming the exercise of 7,785,299,728 Warrants issued to Mr. Oei under the Rights cum Warrants Issue.
- (3) Assuming the exercise of 415,999,031 Existing Warrants and 138,652,475 Adjustment Warrants.
- (4) Assuming the exercise of 2,959,848,393 Existing Warrants and 986,517,471 Adjustment Warrants.

APPENDIX B – SHAREHOLDING EFFECTS OF THE RIGHTS CUM WARRANTS ISSUE

(c) Maximum Subscription Scenario

	Before the Rights cum Warrants Issue but after the exercise of the Existing Warrants		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares)		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares and after the exercise by only the Concert Party of all their Warrants)		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares and after the exercise of all the Warrants)	
	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital
Independent Shareholders	6,527,805,313 ⁽¹⁾	89.8	19,583,415,939 ⁽³⁾	89.8	19,583,415,939	84.1	32,639,026,565 ⁽⁶⁾	89.8
Concert Party Group	740,695,985	10.2	2,222,087,955	10.2	3,703,479,925	15.9	3,703,479,925	10.2
Concert Parties	740,695,985 ⁽²⁾	10.2	2,222,087,955 ⁽⁴⁾	10.2	3,703,479,925 ⁽⁵⁾	15.9	3,703,479,925	10.2
Mr. Oei	-	-	-	-	-	-	-	-
Total	7,268,501,298	100.0	21,805,503,894	100.0	23,286,895,864	100.0	36,342,506,490	100.0

Notes:

- (1) Assuming that 2,959,848,393 Shares are issued and allotted to the holders of the Existing Warrants (other than the Concert Parties) on or before the Books Closure Date pursuant to the exercise of 2,959,848,393 Existing Warrants.
- (2) Assuming that 415,999,031 Shares are issued and allotted to the Concert Parties on or before the Books Closure Date pursuant to the exercise of 415,999,031 Existing Warrants.
- (3) An aggregate 13,055,610,626 Rights Shares shall be issued to the Independent Shareholders upon completion of the Rights cum Warrants Issue.
- (4) An aggregate 1,481,391,970 Rights Shares shall be issued to the Concert Parties upon completion of the Rights cum Warrants Issue.
- (5) Assuming the exercise of 1,481,391,970 Warrants issued under the Rights cum Warrants Issue.
- (6) Assuming the exercise of 13,055,610,626 Warrants issued under the Rights cum Warrants Issue.

APPENDIX B – SHAREHOLDING EFFECTS OF THE RIGHTS CUM WARRANTS ISSUE

(d) Maximum Subscription Scenario (only Mr. Oei)

	Before the Rights cum Warrants Issue but after the exercise of the Existing Warrants		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares)		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares and after the exercise of the Warrants held by Mr. Oei)	
	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital
Independent Shareholders	6,527,805,313 ⁽¹⁾	89.8	6,527,805,313	43.4	6,527,805,313	28.6
Concert Party Group	740,695,985	10.2	8,525,995,713	56.6	16,311,295,441	71.4
Concert Parties	740,695,985 ⁽²⁾	10.2	740,695,985	4.9	740,695,985	3.2
Mr. Oei	-	-	7,785,299,728 ⁽³⁾	51.7	15,570,599,456 ⁽⁴⁾	68.2
Total	7,268,501,298	100.0	15,053,801,026	100.0	22,839,100,754	100.0

Notes:

- (1) Assuming that 2,959,848,393 Shares are issued and allotted to the holders of the Existing Warrants (other than the Concert Parties) on or before the Books Closure Date pursuant to the exercise of 2,959,848,393 Existing Warrants.
- (2) Assuming that 415,999,031 Shares are issued and allotted to the Concert Parties on or before the Books Closure Date pursuant to the exercise of 415,999,031 Existing Warrants.
- (3) An aggregate 7,785,299,728 Rights Shares shall be issued to Mr. Oei upon completion of the Rights cum Warrants Issue.
- (4) Assuming the exercise of 7,785,299,728 Warrants issued to Mr. Oei under the Rights cum Warrants Issue.

APPENDIX B – SHAREHOLDING EFFECTS OF THE RIGHTS CUM WARRANTS ISSUE

(e) Maximum Subscription Scenario (Concert Party Group)

	Before the Rights cum Warrants Issue but after the exercise of the Existing Warrants		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares)		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares and after the exercise of the Warrants held by the Concert Party Group)	
	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital
Independent Shareholders	6,527,805,313 ⁽¹⁾	89.8	6,527,805,313	39.5	6,527,805,313	25.3
Concert Party Group	740,695,985	10.2	10,007,387,683	60.5	19,274,079,381	74.7
Concert Parties	740,695,985 ⁽²⁾	10.2	2,222,087,955 ⁽³⁾	13.4	3,703,479,925 ⁽⁵⁾	14.4
Mr. Oei	-	-	7,785,299,728 ⁽⁴⁾	47.1	15,570,599,456 ⁽⁶⁾	60.3
Total	7,268,501,298	100.0	16,535,192,996	100.0	25,801,884,694	100.0

Notes:

- (1) Assuming that 2,959,848,393 Shares are issued and allotted to the holders of the Existing Warrants (other than the Concert Parties) on or before the Books Closure Date pursuant to the exercise of 2,959,848,393 Existing Warrants.
- (2) Assuming that 415,999,031 Shares are issued and allotted to the Concert Parties on or before the Books Closure Date pursuant to the exercise of 415,999,031 Existing Warrants.
- (3) An aggregate 1,481,391,970 Rights Shares shall be issued to the Concert Parties upon completion of the Rights cum Warrants Issue.
- (4) An aggregate 7,785,299,728 Rights Shares shall be issued to Mr. Oei upon completion of the Rights cum Warrants Issue.
- (5) Assuming the exercise of 1,481,391,970 Warrants issued to the Concert Parties under the Rights cum Warrants Issue.
- (6) Assuming the exercise of 7,785,299,728 Warrants issued to Mr. Oei under the Rights cum Warrants Issue.

APPENDIX C – LETTER FROM THE IFA TO THE DIRECTORS

21 November 2017

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

8 Robinson Road
#03-00 ASO Building
Singapore 048544

Attention: The Independent Directors

THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHTS TO RECEIVE A MANDATORY OFFER FROM MR. OEI HONG LEONG AND HIS CONCERT PARTIES FOR ALL THE ISSUED SHARES IN THE CAPITAL OF ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED NOT ALREADY OWNED OR CONTROLLED BY MR. OEI HONG LEONG AND HIS CONCERT PARTIES AS A RESULT OF THE PROPOSED RIGHTS CUM WARRANTS ISSUE (“WHITEWASH RESOLUTION”)

Unless otherwise defined or the context otherwise requires, all terms used in this letter (“IFA Letter”) shall have the same meanings as defined in the circular to shareholders of the Company dated 21 November 2017 (the “Circular”).

1. INTRODUCTION

On 12 September 2017 (“**Announcement Date**”), the Company announced (“**Announcement**”) that it is undertaking a renounceable rights issue (the “**Rights cum Warrants Issue**”) of up to 14,537,002,596 new ordinary shares of the Company (the “**Rights Shares**”) with up to 14,537,002,596 free detachable warrants (the “**Warrants**”), on the basis of 2 Rights Shares for every 1 existing ordinary share of the Company (“**Share**”) held by Entitled Shareholders of the Company as at Books Closure Date to be determined, where fractional entitlements are to be disregarded and 1 Warrant for every 1 Rights Share subscribed.

Pursuant to an underwriting agreement (“**Underwriting Agreement**”) with UOB Kay Hian Private Limited (“**UOBKH**”), UOBKH was appointed by the Company as the underwriter to partially underwrite up to 7,785,299,728 Rights Shares (the “**Underwritten Rights Shares**”) under the Rights cum Warrants Issue. UOBKH has also entered into a sub-underwriting agreement with Mr. Oei Hong Leong (“**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 cum Warrants Issue (the “**Sub-underwriting Commitment**”).

As at the Latest Practicable Date, Mr. Oei does not own any Shares or hold any instruments convertible into, rights to subscribe for or options in respect of Shares. Mr. Hano Maeloa, the Non-Executive Director of the Company, holds an aggregate of 307,118,154 Shares and 392,377,519 Existing Warrants. Ms. Oei Siu Hoa @ Sukmawati Widjaja holds an aggregate of 17,578,800 Shares and 23,621,512 Existing Warrants. Mr. Hano Maeloa is the nephew of Mr Oei and Ms. Oei Siu Hoa @ Sukmawati Widjaja is the sister of Mr Oei and mother of Mr. Hano Maeloa, and they are deemed to be acting in concert with Mr. Oei (collectively, the “**Concert Party Group**”). As at the Latest Practicable Date, the Concert Party Group holds an aggregate of 324,696,954 Shares, representing approximately 8.3% of the total Existing Share Capital of the Company. Based on the Minimum Subscription Scenario (only Mr. Oei), the shareholding of the Concert Party Group will increase to 69.4% of the enlarged share capital of the Company after the completion of the Rights cum Warrants Issue, and further to 82.2% after the exercise of the Warrants by Mr. Oei and exercise of the Existing Warrants and Adjustment Warrants held by the Concert Parties. As a result, the Concert Party Group may potentially acquire 30% or more of the voting rights in the Company pursuant to the Sub-underwriting Commitment and the Rights cum Warrants Issue, thereby triggering a mandatory general offer (“**Mandatory Offer**”) for all the Shares in the Company which the Concert Party Group does not already own or control. An application was made to the Securities Industry Council (“**SIC**”) and SIC has granted the Concert Party Group a waiver of the requirement to make a Mandatory Offer for the Company in the event the Concert Party Group

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increases their aggregate shareholding in the Company to 30% or more based on the Company's enlarged issued share capital as a result of (a) the subscription for Rights Shares pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue; (b) the exercise of Warrants subscribed for pursuant to the Sub-underwriting Commitment or Rights cum Warrants Issue; or (c) the exercise of Adjustment Warrants, (the "**Whitewash Waiver**"). The Whitewash Waiver is subject to various conditions including, the appointment of an independent financial adviser ("**IFA**") to advise Shareholders who are deemed to be independent for the purposes of the Whitewash Resolution ("**Independent Shareholders**"), on the Whitewash Resolution.

ZICO Capital Pte. Ltd. ("**ZICO Capital**") has been appointed by the Company as the IFA to advise the Directors of the Company who are considered independent in respect of the Whitewash Resolution (the "**Independent Directors**"). As at the Latest Practicable Date, the Independent Directors comprise Dato' Dr. Choo Yeow Ming, Lee Keng Mun, Dr. Lam Lee G., Chew Soo Lin and Yap Siew Sin. As Mr. Hano Maeloa is not considered to be independent for the purposes of the Whitewash Resolution, he will abstain from making any recommendations on the Whitewash Resolution.

This IFA letter ("**IFA Letter**") is addressed to the Independent Directors, to provide an opinion on whether the terms of the Rights cum Warrants Issue, being the subject of the Whitewash Resolution, are fair and reasonable, and are not prejudicial to the interests of the Independent Shareholders. This IFA Letter forms part of the Circular to Shareholders which provides, *inter alia*, the details of the Rights cum Warrants Issue, and the Whitewash Resolution.

2. TERMS OF REFERENCE

Our terms of reference do not require us to evaluate or comment on the rationale for, legal and commercial risks and/or merits (if any) of, the Rights cum Warrants Issue and/or the Whitewash Resolution and we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the Directors and the management of the Company (the "**Management**") although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our recommendation as set out in this IFA Letter.

We were not involved in or responsible for, any aspect of the negotiations pertaining to the Rights cum Warrants Issue and/or the Whitewash Resolution, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Rights cum Warrants Issue or the Whitewash Resolution. **We do not, by this IFA Letter, warrant the merits of the Rights cum Warrants Issue and/or the Whitewash Resolution**, other than to express an opinion on whether the terms of the Rights cum Warrants Issue, being the subject of the Whitewash Resolution, are fair and reasonable, and are not prejudicial to the interests of the Independent Shareholders.

In the course of our evaluation of the terms of the Whitewash Resolution, we have held discussions with the Directors and the Management. We have also examined publicly available information as well as information, both written and verbal, provided to us by the Directors and the Management, including information contained in the Circular. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information or representations.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are fair and accurate in all material aspects. The Directors have confirmed to us that, to the best of their knowledge and belief, there is no other information or fact, the omission of which would cause any statement in the Circular in respect of the Rights cum Warrants Issue and/or the Whitewash Resolution to be inaccurate, incomplete or

APPENDIX C – LETTER FROM THE IFA TO THE DIRECTORS

misleading in any material respect. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made such enquiry and judgement as we have deemed necessary and have found no reason to doubt the accuracy or reliability of the information upon which we have relied.

For the purposes of assessing the terms of the Rights cum Warrants Issue (being the subject of the Whitewash Resolution) and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company or the Group. We will not be required to express, and we do not express, any view on the growth prospects, earnings potential or future financial performance of the Company or the Group in connection with our opinion in this IFA Letter. In addition, we are not expressing any view herein as to the prices at which the Shares may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after the completion of the Rights cum Warrants Issue.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group, (including without limitation, property, plant and equipment) and we have not been furnished with any such evaluation or appraisal.

Our recommendations are based upon market, economic, industry and other conditions prevailing, as well as information made available to us, as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our recommendations in light of any subsequent developments after the Latest Practicable Date that may affect our recommendations contained therein. Shareholders should take note of any announcements relevant to their consideration of the Whitewash Resolution, which may be released after the Latest Practicable Date.

In rendering our advice and providing our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. We recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own legal advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and have not provided any advice (financial or otherwise) whatsoever, in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Whitewash Resolution, and any recommendations made by the Independent Directors in respect of the Whitewash Resolution shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration by the Independent Directors) at any time and in any manner without the prior written consent of ZICO Capital. Our opinion in relation to the Whitewash Resolution should be considered in the context of the entirety of this IFA Letter and the Circular.

3. INFORMATION ON THE RIGHTS CUM WARRANTS ISSUE

The Company is offering to Entitled Shareholders up to 14,537,002,596 Rights Shares at an issue price of S\$0.003 per Rights Share (“**Issue Price**”) and up to 14,537,002,596 Warrants with each Warrant carrying the right to subscribe for one (1) Warrant Share at the exercise price of S\$0.003 per Warrant Share (“**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.

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Each of the Issue Price and the Exercise Price represents:

- (a) a discount of 40.0% to the last traded price of S\$0.005 on 12 September 2017, being the last market day immediately preceding the Announcement on which Shares were traded on the Catalist of the SGX-ST; and
- (b) a discount of approximately 18.9% to the theoretical ex-rights price (the “**Theoretical Ex-Rights Price**”) of S\$0.0037 per Share (before taking into consideration any exercise of the Warrants).

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.

The Warrants will be detached from the Rights Shares upon issue, and will be listed and traded separately on the SGX-ST under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on the SGX-ST, subject to, *inter alia*, 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 set out in 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 (5th) 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 issued Shares, save that they will not be entitled to participate in any dividends, rights, allotments or other distributions that maybe declared or paid, the record date for which falls before the date of exercise of the Warrants.

As a result of the Rights cum Warrants Issue and pursuant to the 2013 Deed Poll, 2014 Deed Poll and 2015 Deed Poll, the Company is required to make adjustments to the number as well as the exercise price of the warrants issued under the 2013 Rights cum Warrants Issue, the 2014 Rights cum Warrants Issue and the 2015 Rights cum Warrants Issue. The additional warrants resulting from such adjustments shall be collectively known as the “**Adjustment Warrants**”. Each exercised Adjustment Warrant shall carry the right to subscribe for one (1) new ordinary share in the capital of the Company, collectively known as the “**Adjustment Warrant Shares**”.

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 (including the accompanying application forms) (“**OIS**”) to be despatched by the Company to the Entitled Shareholders in due course, subject to, *inter alia*, the approval from Shareholders for the Rights cum Warrants Issue and the Whitewash Waiver at the EGM.

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

- (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;

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- (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 (as defined in the Circular) being approved by the Shareholders at the EGM to be convened; and
- (f) the lodgement of the OIS 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).

Please refer to Section 2.3 of the Circular for the principal terms of the Rights cum Warrants Issue.

4. UNDERWRITING AND SUB-UNDERWRITING AGREEMENT

Underwriting

The Company has appointed UOBKH as the underwriter to underwrite up to 7,785,299,728 Underwritten Rights Shares at the Issue Price pursuant to the Underwriting Agreement entered into between the Company and UOBKH on 12 September 2017. The Underwritten Rights Shares constitute approximately 53.6% of the total number of Rights Shares pursuant to the Rights cum Warrants Issue. The Underwriting Agreement is conditional upon certain events, including the approval in-principle from the SGX-ST for the listing and quotation of the Rights Shares remaining in full force and effect.

Sub-underwriting

As at the Latest Practicable Date, Mr. Oei does not own any Shares or hold any instruments convertible into, rights to subscribe for and options in respect of 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. Hano Maeloa, who is the Non-Executive Director of the Company is the nephew of Mr Oei. Ms. Oei Siu Hoa @ Sukmawati Widjaja is the mother of Mr. Hano Maeloa, and sister of Mr Oei. Accordingly, they are presumed to be acting in concert with Mr Oei in relation to the subscription of the Underwritten Rights Shares and the Warrants pursuant to the Sub-underwriting Commitment.

UOBKH has 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 cum Warrants Issue. The Sub-underwriting Commitment is conditional upon, *inter alia*, 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, the approval of the Shareholders for the Rights cum Warrants Issue being obtained at the EGM, 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 the Whitewash Resolution being approved by the Independent Shareholders.

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5. THE WHITEWASH RESOLUTION

Pursuant to the Sub-underwriting Commitment and the Rights cum Warrants Issue, the Concert Party Group may potentially acquire 30% or more of the voting rights in the Company, thereby triggering a Mandatory Offer for all the Shares in the Company which the Concert Party Group does not already own or control. The SIC had, on 6 November 2017, granted the Whitewash Waiver, subject to the satisfaction of certain conditions as set out in Section 6.5 of the Circular, including the passing of the Whitewash Resolution by Independent Shareholders.

The Independent Shareholders should note that:

- (a) (i) the subscription of the Rights Shares by the Concert Party Group pursuant to the Sub-underwriting Commitment or the Rights cum Warrants Issue, (ii) the exercise of the Warrants issued to the Concert Party Group, and (iii) the exercise of Adjustment Warrants by the Concert Party Group may result in the Concert Party Group and their concert parties holding Shares carrying over 49% of the voting rights of the Company based on its enlarged issued capital, and the Concert Party Group and their concert parties would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;
- (b) by voting in favour of the Whitewash Resolution (Ordinary Resolution 2), Shareholders will be waiving their rights to receive a general offer from the Concert Party Group at the highest price paid by the Concert Party Group and their concert parties in the past six (6) months preceding the commencement of the offer which they would have otherwise been obliged to make for the Shares in accordance with Rule 14 of the Code; and
- (c) by voting for the Whitewash Resolution, Shareholders could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of (i) the Warrants subscribed for by the Concert Party Group pursuant to the Sub-underwriting Commitment or the Rights cum Warrants Issue and (ii) the Adjustment Warrants to be issued to Mr. Hano Maeloa and Ms. Oei Siu Hoa @ Sukmawati Widjaja.

6. EVALUATION OF THE WHITEWASH RESOLUTION

In our evaluation of the Whitewash Resolution, we have given due consideration to, *inter alia*, the following key factors:

- (a) the rationale for the Rights cum Warrants Issue and the use of proceeds;
- (b) the *pro rata* basis of the Rights cum Warrants Issue;
- (c) the historical financial performance and financial position of the Group;
- (d) assessment of the Issue Price and the Exercise Price;
- (e) financial effects of the Rights cum Warrants Issue;
- (f) dilution impact of the Rights cum Warrants Issue on the Independent Shareholders; and
- (g) other relevant considerations.

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6.1 Rationale for the Rights cum Warrants Issue and the use of proceeds

The full text of the rationale for the Rights cum Warrants Issue as well as the use of proceeds from the Rights Shares and the exercise of the Warrants is set out in Section 2.6 of the Circular. **It is not within our terms of reference to comment or express an opinion on the merits of the Rights cum Warrants Issue or the future prospects of the Group after the Rights cum Warrants Issue.** Please refer to Section 2 of this IFA Letter for our terms of reference.

The Company is undertaking the Rights cum Warrants Issue to strengthen the financial position and capital base of the Group, particularly to raise funds to support the Group's nascent business venture in real estate development in Huzhou, China. Concurrently, the Rights cum Warrants Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company.

We noted that the Chairman's statement in the Company's annual report for FY2017 stated the following:-

"Our move into Huzhou is a major strategic initiative to diversify our existing businesses in order to secure long-term growth and profitability for the Group. Linked by high-speed rail, the added attractiveness of the city is its close proximity to the metropolitan hubs of Shanghai, Nanjing and Hangzhou. Already hugely popular with travellers from abroad as well as across China, Huzhou will open a gateway to the future for us as China's property market grows and evolves."

In addition, the Company stated in the Corporate Profile in the Company's annual report for FY2017 that:-

"In a move that will see APSIL add real estate development as a sustainable business division and expand its reach into China's growing property sector, the Group recently acquired two property companies in Huzhou in Zhejiang province. The Huzhou Project is a mixed development of prime residential and commercial properties with a variety of innovative leisure and wellness-related choices that will transform the area into a lifestyle hub."

Assuming none of the Warrants (to be issued pursuant to the Rights cum Warrants Issue) are exercised:

- (a) in the event of the Maximum Subscription Scenario, the net proceeds from the Rights cum Warrants Issue is approximately S\$42.66 million⁽¹⁾, after deducting estimated expenses of approximately S\$0.95 million; and
- (b) in the event of the Minimum Subscription Scenario, the net proceeds from the Rights cum Warrants Issue is approximately S\$22.41 million, after deducting estimated expenses of approximately S\$0.95 million.

Note:

- (1) The proceeds raised do not take into account the proceeds arising from the exercise of the Existing Warrants.

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 China, as well as for working capital purposes.

The additional proceeds arising from the exercise of all 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.

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Pending the deployment of the net proceeds raised from the Rights cum Warrants Issue or the exercise of the Warrants, 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.

6.2 The *pro rata* basis of the Rights cum Warrants Issue

The Rights cum Warrants Issue is offered on a *pro rata* basis to Entitled Shareholders who will get the right of first refusal to subscribe for the Rights Shares based on their provisional allotment of two Rights Shares cum Warrants for every one Share held. Entitled Shareholders 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 SGX-ST) their provisional allotments of Rights Shares cum Warrants and will be eligible to apply for additional Rights Shares cum Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

Pursuant to the Sub-underwriting Commitment, Mr. Oei will only subscribe for the Underwritten Rights Shares to the extent that such Underwritten Rights Shares are not successfully subscribed for by Entitled Shareholders.

In the allotment of excess Right 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 cum Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting. In this connection, the Company is seeking Shareholder's approval in the EGM for a possible transfer of controlling interest to Mr. Oei. Please refer to Section 7 of the Circular for further details. **Accordingly, Independent Shareholders are not being prejudiced in the allocation of their application for the excess Rights Shares cum Warrants.**

The Warrants are detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the SGX-ST under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on 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.

6.3 Historical Financial Performance and Financial Position of the Group

In the 3-month period ended 30 September 2016, the Company changed its functional currency from Ringgit Malaysia (“RM”) to Singapore Dollar (“S\$”) after considering that the primary economic environment in which the Company operates is Singapore, following the completion of the disposal of HMS Capital Sdn Bhd on 4 February 2016 and that the currency in which funds from its financing activities are generated is in S\$.

Pursuant to the aforementioned change in functional currency, the Company changed its presentation currency from RM to S\$ with effect from 1 July 2016. The change in presentation currency has been applied retrospectively and comparative numbers for the Group in the financial statements for prior financial periods have been restated in S\$ to provide meaningful comparable information. The analysis of the financial performance and financial position of the Group is therefore based on the restated financials for FY2015 and FY2016 in S\$, and the financials for FY2017 which was already presented in the said currency.

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6.3.1 Financial Performance of the Group

A summary of the financial results of the Group for FY2015, FY2016 and FY2017 is set out below.

(S\$'000)	FY2015 (Restated)	FY2016 (Restated)	FY2017
Continuing operations			
Revenue	73	8,325	16,329
Gross Profit	73	645	1,032
Other gains/(losses), net	1,455	(91,755)	(1,886)
Distribution and marketing expenses	-	(89)	(545)
Administrative expenses	(2,356)	(5,988)	(4,941)
Loss before income tax	(828)	(97,187)	(6,340)
Loss from continuing operations	(843)	(97,184)	(6,412)
Discontinued operations			
Loss from discontinued operations	(1,410)	(506)	(176)
Total loss attributable to equity holders of the Company	(2,253)	(97,690)	(6,588)

6.3.2 Financial Position of the Group

A summary of the consolidated financial positions of the Group as at 30 June 2015, 30 June 2016 and 30 June 2017 is set out below.

(S\$'000)	As at 30 June 2015 (Restated)	As at 30 June 2016 (Restated)	As at 30 June 2017
Current assets	45,219	42,188	31,643
Current liabilities	9,896	9,617	5,221
Net current assets	35,323	32,571	26,422
Non-current assets	6,515	2,085	1,670
Non-current liabilities	4,000	251	225
Total equity	37,838	34,405	27,867

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6.3.3 Statements of Cash Flow

A summary of the consolidated statements of cash flow of the Group for FY2015, FY2016 and FY2017 is set out below.

(S\$'000)	FY2015 (Restated)	FY2016 (Restated)	FY2017
Net cash (used in)/ provided by operating activities	(4,566)	(6,734)	2,845
Net cash used in investing activities	(2,149)	(1,872)	(14,069)
Net cash from financing activities	4,269	13,588	9
Net (decrease)/ increase in cash and cash equivalents	(2,446)	4,982	(11,215)
Cash and cash equivalents			
Beginning of financial year	11,158	7,318	12,078
Effects of currency translation on cash and cash equivalents	(1,394)	(222)	335
End of financial year	7,318	12,078	1,198

Please refer to the management's discussion and analysis of the historical financial performance, financial position and statements of cash flows of the Group, as set out in Appendix A – Financial Information and Review of Past Performance of the Circular.

We note that the Group has recorded loss from its continuing operations in each of FY2015, FY2016 and FY2017, and reported cash and cash equivalents of approximately S\$1.2 million and quoted equity securities of approximately S\$15.0 million, as at 30 June 2017. The Board and Management have advised that the Group will require more than its current existing financial resources to support its nascent venture into real estate development in China as such business is typically capital intensive. We note that the Sub-underwriting Commitment will provide the assurance to the Company in raising minimum net proceeds from the Rights cum Warrants Issue of approximately S\$22.41 million (not taking into consideration any proceeds from the exercise of the Warrants) for such purposes.

6.4 **Assessment of the Issue Price and the Exercise Price**

In accessing the Issue Price and Exercise Price, we have considered the following:

- (1) the historical trading performance of the Shares;
- (2) the NAV and NTA per Share of the Group;
- (3) comparison of the terms of the Rights cum Warrants Issue with the salient statistics of selected completed rights issues of shares by companies listed on the SGX-ST;
- (4) comparison of the terms of Rights cum Warrants Issue with the 2013 Rights cum Warrants Issue, 2014 Rights cum Warrants Issue and 2015 Rights cum Warrants Issue;
- (5) comparison of the terms of Rights cum Warrants Issue with a past contemplated share placement to Mr. Oei; and
- (6) the valuation of the Warrants based on the Black-Scholes model which is a common methodology used in the calculation of call options, a financial instrument similar to warrants.

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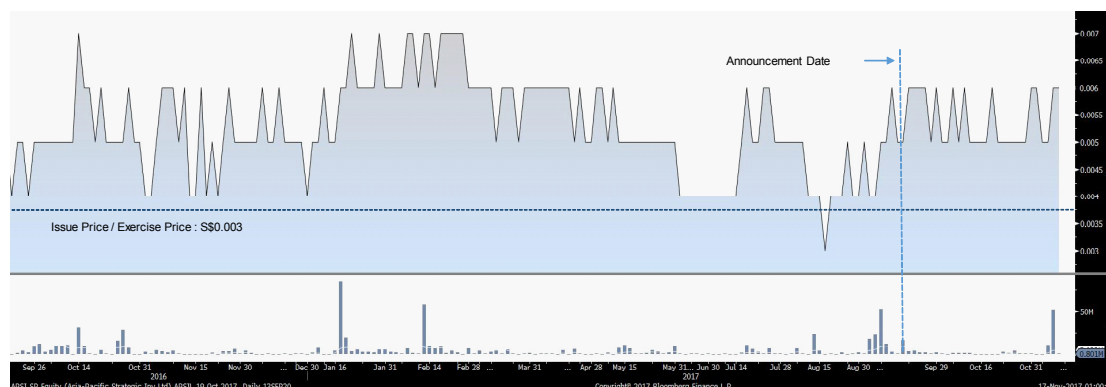
6.4.1 Market quotation and trading activity of the Shares

In assessing the Issue Price and Exercise Price, we have taken into consideration the historical market price performance of the Shares and the historical trading volume of the Shares for the 1-year period prior to the Announcement, as well as the period from the Announcement Date and up to the Latest Practicable Date.

There was a trading halt at 4.30 p.m. on 12 September 2017 and the Rights cum Warrants Issue was announced after the close of market trading on 12 September 2017, being the Announcement Date. We note that the Shares were not traded from 13 September 2016 to 18 September 2016. Accordingly, the first closing price in the 1-year period prior to the Announcement was S\$0.004 on 19 September 2016.

We set out below a chart showing the Issue Price and Exercise Price relative to the daily last transacted prices and trading volume of the Shares from 19 September 2016 to the Latest Practicable Date (“**Period Under Review**”):

Price movement and traded volume of the Shares during the Period Under Review



During the Period Under Review, the Shares traded in the range of S\$0.003 to S\$0.007.

Subsequent to the Announcement Date and up to the Latest Practicable Date, the Shares traded in the range of \$0.004 to S\$0.006. As at the Latest Practicable Date, the trading price of the Shares closed at S\$0.006.

Market Statistics

We have tabulated below selected statistical information on the price performance and trading liquidity of the Shares for the Period Under Review:

Reference Period	Highest traded price (S\$)	Lowest traded price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of Issue Price/ Exercise Price over/(to) VWAP (%)	Number of traded days ⁽²⁾	Average daily trading volume ⁽³⁾ ('000)	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
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Prior to the release of the Announcement

Last 1 year	0.0070	0.0030	0.0056	(46.4)	154	2,496	0.10
Last 6 months	0.0060	0.0030	0.0048	(37.5)	69	1,256	0.05
Last 3 months	0.0060	0.0030	0.0045	(33.3)	33	1,221	0.05
Last 1 month	0.0050	0.0030	0.0040	(25.0)	10	1,633	0.07
12 September 2017 (last trading day immediately prior to the release of the Announcement)	0.0050	0.0050	0.0050	(40.0)	1	1,000	0.04

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Reference Period	Highest traded price (S\$)	Lowest traded price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of Issue Price/ Exercise Price over/(to) VWAP (%)	Number of traded days ⁽²⁾	Average daily trading volume ⁽³⁾ ('000)	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
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After the Announcement Date

13 September 2017 to the Latest Practicable Date	0.0060	0.0040	0.0050	(40.0)	44	4,995	0.21
Latest Practicable Date	0.0060	0.0050	0.0050	(40.0)	1	802	0.03

Source: Bloomberg L.P.

Notes:

- (1) The volume-weighted average price (“VWAP”) for the respective periods are calculated based on the daily VWAP turnover divided by VWAP volume, as extracted from Bloomberg L.P. VWAP turnover is computed based on the aggregated daily turnover value of the Shares and VWAP volume is computed based on the aggregate daily trading volume of the Shares for the respective periods. Off market transactions are excluded from the calculation.
- (2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period.
- (3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading during that period.
- (4) Free float refers to the Shares other than those directly and deemed held by the Directors, Substantial Shareholders and their respective Associates. For the purpose of computing the average daily trading volume as a percentage of free float, we have used a free float of 2,384,890,852 Shares as at the Latest Practicable Date.

Based on the above, we note the following:

- (a) the Shares have traded between a low of S\$0.003 and a high of S\$0.007 over the 1-year period prior to the Announcement. Each of the Issue Price and the Exercise Price is the same as the lowest transacted price of the Shares, and represents a discount of approximately 57.1% and 46.4% to the highest transacted price and the VWAP of the Shares respectively in the said period;
- (b) each of the Issue Price and the Exercise Price represents a discount of 37.5%, 33.3% and 25.0% to the VWAP of the Shares for the 6-month, 3-month and 1-month periods prior to the Announcement respectively;
- (c) each of the Issue Price and the Exercise Price represents a discount of 40.0% to the VWAP of the Shares on 12 September 2017, being the last trading day for the Shares prior to the Announcement;
- (d) each of the Issue Price and the Exercise Price represents a discount of 40.0% to the VWAP of the Shares for the period from 13 September 2017 (being the market day after the Announcement Date) and up to the Latest Practicable Date (inclusive); and
- (e) each of the Issue Price and the Exercise Price represents a discount of 40.0% to the VWAP of the Shares on the Latest Practicable Date; and

We observe the following with regard to the trading liquidity of the Shares:

- (a) over the 1-year period prior to the Announcement, the Shares were not actively traded. The Shares were trading for 154 trading days while the SGX-ST were trading for 252 trading days over the said period. The average daily trading volume of the Shares

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for the 1-year, 6-month, 3-month and 1-month periods prior to the Announcement represent 0.10%, 0.05%, 0.05% and 0.07% of the free float of the Shares respectively; and

- (b) during the period following the Announcement Date and up to the Latest Practicable Date, the average trading volume of the Shares represents 0.21% of the free float of the Shares.

The Theoretical Ex-Rights Price is S\$0.0037, based on the last traded Share price of S\$0.005 on 12 September 2017 (being the market day immediately preceding the Announcement). Each of the Issue Price and Exercise Price represents a discount of approximately 18.9% to the Theoretical Ex-Rights Price.

6.4.2 NAV and NTA per Share of the Group

Based on the latest audited financial statements of the Group as at 30 June 2017, the net asset value (“NAV”) and net tangible asset (“NTA”) attributable to equity holders of the Company were approximately S\$27.9 million and S\$26.8 million respectively. The NAV and NTA per Share attributable to equity holders of the Company are approximately S\$0.0072 and S\$0.0069 respectively, based on the outstanding 3,892,653,874 Shares in the issued and paid-up share capital of the Company as at the Latest Practicable Date.

We note that each of the Issue Price and the Exercise Price represents a discount of approximately 58.3% and 56.5% to the audited NAV per Share and audited NTA per Share attributable to equity holders of the Company of as at 30 June 2017 respectively.

6.4.3 Statistics of selected completed renounceable rights issues of shares

In assessing the Issue Price, we have also looked at the salient statistics of selected completed renounceable (i) rights cum warrants issues and (ii) rights issues by companies (excluding real estate investment trusts and business trusts) listed on the SGX-ST, that were announced since 1 January 2016 and up to the Latest Practicable Date.

Shareholders should note that the business activities, size of operations, risk profile, geographical spread, operating and financial leverage, market capitalisation, business composition, cash flow requirement, track record, future prospects and other relevant criteria of each of the selected companies are not identical to the Group. Accordingly, any inference that can be drawn from such comparisons should not be conclusively relied upon.

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SGX-ST listed company	Date of announcement	Basis	Last transacted share price prior to announcement (\$)	Issue price of rights shares (\$)	Exercise price of warrants (\$)	Premium/(Discount) of issue price to share price prior to announcement (%)	Theoretical ex-rights share price ⁽¹⁾ (\$)	Premium/(Discount) of issue price to theoretical ex-rights share price (%)	Premium/(Discount) of exercise price of warrants to theoretical ex-rights share price (%)
Viking Offshore and Marine Limited	18 May 2017	2 rights shares with 1 warrants for every 5 existing shares	0.027	0.018	0.025	(33.3)	0.0244	(26.2)	2.5
Maxi-Cash Financial Services Ltd	16 May 2017	1 right share for every 6 existing shares	0.182	0.170	n.a.	(6.6)	0.1803	(5.7)	n.a.
Pan-United Corporation Ltd	3 May 2017	1 right share for every 4 existing shares	0.730	0.430	n.a.	(41.1)	0.6700	(35.8)	n.a.
Advanced Systems Automation Limited	31 March 2017	5 rights shares for every 1 existing share	0.005	0.0009	n.a.	(82.0)	0.0016	(43.8)	n.a.
3Energy Limited	13 March 2017	1 right share with 2 warrants for every 3 existing shares	0.050	0.067	0.100	34.0	0.0543	23.4	84.2
LifeBrandz Ltd	24 January 2017	2 rights shares with 2 warrants for 1 existing share ⁽²⁾	0.0434	0.025	0.05	(42.4)	0.0311	(19.6)	60.8
AsiaPhos Limited	30 December 2016	1 right share with 1 warrant for every 8 existing shares	0.101	0.080	0.080	(20.8)	0.0987	(18.9)	(18.9)
Sino Grandness Food Industry Group Ltd	13 December 2016 ⁽⁴⁾	5 rights shares forever 11 existing shares	0.295	0.210	n.a.	(28.8)	0.2684	(21.8)	n.a.
Sincap Group Limited	5 December 2016	165 rights shares with 1 existing share	S\$0.025	0.010	n.a.	(60.0)	0.0125	(20.0)	n.a.

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SGX-ST listed company	Date of announcement	Basis	Last transacted share price prior to announcement (\$)	Issue price of rights shares (\$)	Exercise price of warrants (\$)	Premium/(Discount) of issue price to share price prior to announcement (%)	Theoretical ex-rights share price ⁽¹⁾ (\$)	Premium/(Discount) of issue price to theoretical ex-rights share price (%)	Premium/(Discount) of exercise price of warrants to theoretical ex-rights share price (%)
Tat Hong Holdings Ltd	14 November 2016	1 right share for 5 existing shares	0.455	0.330	n.a.	(27.5)	0.4342	(24.0)	n.a.
Health Management International Ltd	11 November 2016	11 right shares for every 200 existing shares	0.605	0.570	n.a.	(5.8)	0.6032	(5.5)	n.a.
JEP Holdings Ltd	11 October 2016	1 right share for 2 existing shares with 1 warrant for every 2 rights shares	0.028	0.020	0.020	(28.6)	0.0253	(20.9)	(20.9)
Samko Timber Ltd	9 September 2016	5 rights shares for every 7 existing shares	0.085	0.035	n.a.	(58.8)	0.0642	(45.5)	n.a.
MYP Ltd	31 August 2016	1 right share for every 1 existing share	0.270	0.180	n.a.	(33.3)	0.2250	(20.0)	n.a.
ASLMarine Holdings Ltd	29 August 2016	1 right share for every 2 existing shares	0.200	0.120	n.a.	(40.0)	0.1733	(30.8)	n.a.
Maxi-Cash Financial Services Ltd	8 August 2016	1 right share for every 4 existing shares	0.150	0.145	n.a.	(3.3)	0.149	(2.7)	n.a.
Vashion Group Ltd	30 June 2016	9 rights shares for every 1 existing share	0.014	0.0032	n.a.	(77.1)	0.0043	(25.6)	n.a.
Ezion Holdings Ltd	30 June 2016	3 rights shares for every 10 existing shares	0.520	0.290	n.a.	(44.2)	0.4669	(37.9)	n.a.

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SGX-ST listed company	Date of announcement	Basis	Last transacted share price prior to announcement (\$)	Issue price of rights shares (\$)	Exercise price of warrants (\$)	Premium/(Discount) of issue price to share price prior to announcement (%)	Theoretical ex-rights share price ⁽¹⁾ (\$)	Premium/(Discount) of issue price to theoretical ex-rights share price (%)	Premium/(Discount) of exercise price of warrants to theoretical ex-rights share price (%)
Cedar Strategic Holdings Ltd	29 June 2016	1 right share for every 2 existing shares	0.004	0.0036	n.a.	(10.0)	0.0039	(7.7)	n.a.
AA Group Holdings Ltd	28 June 2016	10 rights shares with 10 warrants for every 1 existing share	0.078	0.010	0.012	(87.2)	0.0162	(38.3)	(25.9)
Singapore eDevelopment Ltd	27 June 2016	1 right share with 5 warrants for every 3 existing shares	0.031	0.040	0.040	29.0	0.0333	20.1	20.1
Noble Group Limited	3 June 2016	1 right share for every 1 existing share	0.300	0.110	n.a.	(63.3)	0.2050	(46.3)	n.a.
Yongnam Holdings Ltd	1 June 2016	1 right share for every 2 existing shares	0.335	0.210	n.a.	(37.3)	0.2933	(28.4)	n.a.
iX Biopharma Ltd	27 May 2016	1 right share for every 25 existing shares	0.345	0.210	n.a.	(39.1)	0.3398	(38.2)	n.a.
GRP Limited	24 May 2016	1 right share with 1 warrant for every 2 existing shares	0.320	0.250	0.250	(21.9)	0.2967	(15.7)	(15.7)
Ramba Energy Ltd	19 May 2016	1 rights share with 1 warrant for every 5 existing shares	0.200	0.200	0.200	0.0	0.2000	0.0	0.0
IFS Capital Ltd	6 May 2016	3 rights shares for every 2 existing shares	0.280	0.220	n.a.	(21.4)	0.2440	(9.8)	n.a.

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SGX-ST listed company	Date of announcement	Basis	Last transacted share price prior to announcement (\$)	Issue price of rights shares (\$)	Exercise price of warrants (\$)	Premium/(Discount) of issue price to share price prior to announcement (%)	Theoretical ex-rights share price ⁽¹⁾ (\$)	Premium/(Discount) of issue price to theoretical ex-rights share price (%)	Premium/(Discount) of exercise price of warrants to theoretical ex-rights share price (%)
Cacola Furniture International Limited	3 May 2016	4 rights shares for every 1 existing share	0.007	0.00475	n.a.	(32.1)	0.0052	(8.7)	n.a.
China Flexible Packaging Holdings Ltd	29 April 2016	2 rights shares with 1 warrant for every 1 existing share	0.845	0.700	1.05	(17.2)	0.7483	(6.5)	40.3
Artivision Technologies Ltd	18 March 2016	5 rights shares for every 6 existing shares	0.042	0.030	n.a.	(28.6)	0.0365	(17.8)	n.a.
Joyvas International Holdings Ltd	8 March 2016	6 rights shares for every 1 existing share	0.009	0.0035	n.a.	(61.1)	0.0043	(18.6)	n.a.
				Max		34.0		23.4	84.2
				Median		(32.1)		(20.0)	1.2
				Mean		(31.9)		(19.3)	12.6
				Min		(87.2)		(46.3)	(25.9)

Source: Respective announcements and public documents of the above companies, the SGX-ST website and Bloomberg L.P.

Notes:

(1) The theoretical ex-rights price is obtained by the following formula:

$$(number\ of\ existing\ shares\ to\ rights\ shares \times last\ transacted\ price\ prior\ to\ announcement) + (number\ of\ rights\ shares \times rights\ issue\ price)$$

$$\div (number\ of\ existing\ shares\ to\ rights\ shares + number\ of\ rights\ shares)$$

(2) n.a. denotes not applicable

(3) LifeBranz Ltd issued corrigendum announcement on 10 February 2017 and the basis of allotment became 2 rights shares with 2 warrants for every 1 existing share, instead of the original 2 rights shares with 1 warrant for every 1 existing share.

(4) Based on revised terms for the rights issue, including basis of allotment and issue price announced by the company on 13 December 2016.

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Based on the information above, we note that:

- (a) the discount of the Issue Price to the last transacted Share price prior to the Announcement of 40.0%, is within the range and above the mean and median discount of issue prices to the last transacted share prices of the respective companies, prior to announcement of the recent rights issues;
- (b) the discount of the Issue Price to the Theoretical Ex-Rights Price of the Shares of 18.9%, is within the range and below the mean and median discount of issue prices to the theoretical ex-rights prices of the shares of the respective companies; and
- (c) the discount of the Exercise Price to the Theoretical Ex-Rights Price of the Shares of 18.9%, is within the range of the recent rights issues.

6.4.4 Comparison of the terms of the Rights cum Warrants Issue with past rights cum warrants issues undertaken by the Company

We have compared the terms of the Rights cum Warrants Issue with the rights cum warrants issues undertaken by the Company in 2013 and 2015 as follows:

	2013 Rights cum Warrants Issue	2014 Rights cum Warrants Issue	2015 Rights cum Warrants Issue	Current Rights cum Warrants Issue
Announcement Date	7 May 2013	27 November 2013	29 June 2015	12 September 2017
Basis of allotment	Rights cum warrants issue on the basis of one (1) rights share for every two (2) existing shares, with one (1) free warrant for every one (1) rights share subscribed.	Rights cum warrants issue on the basis of five (5) rights shares for every one (1) existing share, with one (1) free warrant for every one (1) rights share subscribed.	Rights cum warrants issue on the basis of two (2) rights shares for every one (1) existing share, with one (1) free warrant for every one (1) rights share subscribed.	Rights cum Warrants Issue on the basis of two (2) Rights Shares for every one (1) existing Share, with one (1) free Warrant for every one (1) Rights Share subscribed.
Issue price and exercise price	S\$0.10 for each rights share. S\$0.05 for each warrant share arising from the exercise of the warrants.	S\$0.02 for each rights share. S\$0.02 for each warrant share arising from the exercise of the warrants.	S\$0.005 for each rights share. S\$0.005 for each warrant share arising from the exercise of the warrants.	S\$0.003 for each Rights Share. S\$0.003 for each Warrant Share arising from the exercise of the Warrants.

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	2013 Rights cum Warrants Issue	2014 Rights cum Warrants Issue	2015 Rights cum Warrants Issue	Current Rights cum Warrants Issue
Benchmarking of issue price and exercise price	<p>Issue price at discounts of:</p> <p>(a) approximately 49.5% to the last traded price on 2 May 2013 prior to the announcement date at S\$0.198 per share; and</p> <p>(b) approximately 39.5% to the theoretical ex-rights price of S\$0.165.</p> <p>Exercise price at discount of:</p> <p>(a) approximately 69.8% to the theoretical ex-rights price of S\$0.165.</p>	<p>At discounts of:</p> <p>(a) approximately 91.5% to the last traded price on 26 November 2013 prior to the announcement date at S\$0.235 per share; and</p> <p>(b) approximately 64.2% to the theoretical ex-rights price of S\$0.056.</p>	<p>At discounts of:</p> <p>(a) approximately 88.0% to the last traded price on 24 June 2015 prior to the announcement date at S\$0.041 per share; and</p> <p>(b) approximately 70.6% to the theoretical ex-rights price of S\$0.017.</p>	<p>At discounts of:</p> <p>(a) approximately 25.0%⁽¹⁾ to the last traded price on 30 August 2017 prior to the Announcement Date at S\$0.004 per Share; and</p> <p>(b) approximately 10.0%⁽¹⁾ to the theoretical ex-rights price of S\$0.003.</p>

As set out above, the discounts of each of the Issue Price and Exercise Price to the last traded price and theoretical ex-rights price for the Rights cum Warrants Issue are lower than the rights cum warrants issues undertaken by the Company in 2013 and 2015.

Note:

(1) Based on the discounts in the Announcement.

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6.4.5 Comparison of the terms of the Rights cum Warrants issue with a past contemplated share placement to Mr. Oei

On 12 January 2016, the Company announced that it has entered into a subscription agreement with Mr. Oei (the “**Subscription Agreement**”), whereby the Company will raise gross proceeds of S\$14.2 million by issuing new Shares to Mr. Oei at an issue price of S\$0.0054 per subscription share (“**Subscription Price**”) (“**2016 Placement**”). The Subscription Price represented a discount of 10% to the volume-weighted average price of S\$0.006 per Share on the full market day prior to signing of the Subscription Agreement.

We understand from the Company that the 2016 Placement has yet to be completed as at the Latest Practicable Date, as the 2016 Placement is conditional upon, amongst others, approval having been obtained from the Ministry of Commerce of the PRC (“**MoC**”) in respect of the Company’s proposed acquisition of China Real Estate Development Union Group Limited (“**CREU**”) (“**CREU Acquisition**”) which was announced by the Company on 14 January 2016. As at the Latest Practicable Date, the Company has yet to obtain MoC approval for the CREU Acquisition. We further understand from the Directors that the Subscription Agreement would be terminated.

6.4.6 Valuation of the Warrants

Exercise Price

We note that the Exercise Price is at a discount to the VWAP of the Shares (i) for the 1-year, 6-month, 3-month and 1-month period prior to the release of the Announcement; (ii) on the last trading day for the Shares prior to the Announcement; (iii) for the period from 13 September 2017 and up to the Latest Practicable Date (inclusive); and (iv) on the Latest Practicable Date. Please refer to Section 6.4.1 of this IFA Letter for further details.

We also note that the Warrants may be exercised at any time during the period commencing on and including 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, in accordance with the Deed Poll.

As at the Latest Practicable Date, the Warrants are in-the-money.

Theoretical Value of the Warrants

We have considered the theoretical value of the Warrants based on the Black-Scholes model, which is a common methodology used in the calculation of call options, which is a similar financial instrument as warrants. The theoretical value of the Warrants is a function of, *inter alia*, the exercise price of the Warrants, the current price of the underlying Shares, whether the warrants can only be exercisable on a predetermined exercise date or at any time prior to the expiry date, the risk-free interest rate, the dividend yield of the Shares and the price volatility of the underlying Shares.

Based on the risk-free interest rate, the dividend yield of the Shares and the historical price volatility of the Shares, as provided by Bloomberg L.P. as at the Latest Practicable Date, and taking into consideration that the Warrants can be exercised at any time during the exercise period of 5 years at an exercise price of S\$0.003 and the last transacted price of the Share of S\$0.0060 as at the Latest Practicable Date, the theoretical value of the Warrants is approximately S\$0.0059 for each Warrant.

We note that the Warrants, which have a theoretical value of S\$0.0059 per Warrant, will be issued free to Entitled Shareholders on the basis of one detachable Warrant for every one Rights Share subscribed for.

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It should be noted that the theoretical value of the call option using the Black-Scholes model may not reflect the actual value of the Warrants to be transacted on the SGX-ST (if the Warrants are listed on the SGX-ST).

The following chart as extracted from Bloomberg L.P. shows the theoretical value of the Warrants as at the Latest Practicable Date, based on the terms of the Warrants:

Asset	Actions	Products	Views	Settings	Option Valuation Equity/IR
1) Solver (Vol)	1) Load	1) Update	1) Trade	1) Ticket	1) Send
2) Deal 1	2) +				
3) Pricing	3) Scenario	3) Matrix			
Underlying	APSI SP Equity		+APSI6 APSI OTC AC 0.003 10/23/22		Trade 11/14/2017 17:00
Und. Price	Last	0.006	SGD	BB Id ES6657215	Settle 11/14/2017
Results					
Price (Total)	0.01	Currency	SGD	Vega	0.00 Time Value 0.00
Price (Wrnt)	0.0059	Delta (%)	99.23	Theta	0.00 Gearing 1.02
Price (%)	98.3680	Gamma (%)	0.0047	Rho	0.00 Break-Even (%) 48.37
Warrant					
Leg Id	ES6657215		Vol	HIST	201.092%
Style	Warrant		Forward	Carry	0.0066
Warrant Type	Regular		SGD Rate	Semi	1.951%
Exercise	American		Dividend Yield		0.000%
Call/Put	Call		Discounted Div Flow		0.00
Direction	Buy		Borrow Cost		0.000%
Strike	0.003				
Strike % Money	50.00% ITM				
Shares/warrant	1.000000				
Position	1.00				
First Exercise	11/14/2017				
Dilutive?	Non-dilutive Model				
Expiry	11/14/2022 17:00				
Time to Expiry	1826 00:00				
Price Type	Absolute				
Model	BS - disc.				

6.5 Financial effects of the Rights cum Warrants Issue

Details of the pro forma financial effects of the Rights cum Warrants Issue on the Group, based on the audited consolidated financial statements of the Group for FY2017, are set out in Section 4 of the Circular. The financial effects are for illustrative purposes only and do not purport to be an indication or a projection of the financial results and financial position of the Company and the Group after the completion of the Rights cum Warrants Issue.

In summary, we note the following:

- the NTA per Share of the Group as at 30 June 2017 would decrease from S\$0.0069 to S\$0.0040 after the Rights cum Warrants Issue and the issuance of the Adjustment Warrants (assuming the exercise of all the Existing Warrants, Warrants and Adjustment Warrants);
- the loss per Share of the Group for FY2017 would decrease from S\$0.0017 to S\$0.0003 after the Rights cum Warrants Issue and the issuance of Adjustment Warrants (assuming the exercise of all the Existing Warrants, Warrants and Adjustment Warrants).

APPENDIX C – LETTER FROM THE IFA TO THE DIRECTORS

6.6 Dilution impact of the Rights cum Warrants Issue on the Independent Shareholders

Details on the dilution impact of the Rights cum Warrants Issue on the Independent Shareholders are set out in Appendix B of the Circular. The dilution impact is for illustrative purposes only and do not purport to be an indication or a projection of the shareholding effects on the Independent Shareholders after the completion of the Rights cum Warrants Issue.

In summary, we note the following:

As at the Latest Practicable Date, the issued share capital of the Company (excluding treasury shares) comprises 3,892,653,874 Shares, and there is an aggregate of 3,375,847,424 Existing Warrants, all of which are exercisable prior to their respective expiry periods as detailed in Section 3.4 of the Circular. In the event all of the Existing Warrants are exercised prior to the Books Closure Date, the issued share capital of the Company (excluding treasury shares) will increase to 7,268,501,298 Shares.

The **maximum dilution** impact to the shareholding interests of the Independent Shareholders would occur under the Minimum Subscription Scenario (only Mr. Oei).

Under this scenario, (i) none of the Existing Warrants are exercised on or prior to the Books Closure Date; (ii) none of the Entitled Shareholders subscribe for the Rights Shares with Warrants; and (iii) Mr. Oei subscribes for the Underwritten Rights Shares with Warrants in full.

Upon the issue and allotment of the Rights Shares with Warrants, the shareholding interests of the Independent Shareholders will be diluted from 91.7% to 30.6% (assuming no further issuance of new Shares up to the completion of the Rights cum Warrants Issue). Upon the exercise by only the Concert Party Group of all their Warrants, Existing Warrants and Adjustment Warrants (and assuming no further issuance of new Shares up to such date), the shareholding interests of the Independent Shareholders will be further diluted to 17.8%.

In the event all other Warrants, Existing Warrants and Adjustment Warrants are subsequently exercised, and assuming no further issuance of new Shares up to such date, the shareholding interests of the Independent Shareholders will then be 31.4%.

Please refer to Appendix B of the Circular for further details of the dilution impact to the shareholding interests of the Independent Shareholders under the Minimum Subscription Scenario, Maximum Subscription Scenario, Maximum Subscription Scenario (only Mr. Oei) and Maximum Subscription Scenario (Concert Party Group).

6.7 Other Relevant Considerations

6.7.5 Inter-conditionality of the Rights cum Warrants Issue and the Whitewash Resolution

As set out in Section 1.3 of the Circular, the resolution for the Rights cum Warrants Issue, the Whitewash Resolution and the resolution for the Possible Transfer of Controlling Interest are inter-conditional. This means that if the Proposed Whitewash Resolution is not approved, the other resolutions (including the resolution for the Rights cum Warrants Issue) will not be duly passed.

By voting in favour of the Whitewash Resolution, the Independent Shareholders will be waiving their rights to receive a Mandatory Offer at the highest price paid by the Concert Party Group for the Shares in the six (6) months preceding the commencement of the Mandatory Offer.

Shareholders, by voting for the Whitewash Resolution, could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of (i) the Warrants subscribed by the Concert Party

APPENDIX C – LETTER FROM THE IFA TO THE DIRECTORS

Group pursuant to the Sub-underwriting Commitment or the Rights cum Warrants Issue, and (ii) the Adjustment Warrants to be issued to Mr. Hano Maeloa and Ms. Oei Siu Hoa @ Sukmawati Widjaja.

6.7.6 Support from Mr. Oei for the Rights cum Warrants Issue

The Sub-underwriting Commitment demonstrates the financial support from Mr. Oei for the Rights cum Warrants Issue, to the extent of the Underwritten Rights Shares. This will ensure that a minimum net proceeds of S\$22.41 million (not taking into consideration the exercise of any Warrants) will be raised pursuant to the Rights cum Warrants Issue to meet the funding requirements set out under Section 2.6 of the Circular entitled “Rationale for the Rights cum Warrants Issue and Use of Proceeds”. We note that, pursuant to the Sub-underwriting Agreement, UOBKH will pay Mr. Oei a sub-underwriting commission of approximately S\$233,559 which represents 1.0% of the gross proceeds from the Underwritten Rights Shares.

We also noted collaborations between the Company and Mr. Oei, which included (i) the 2016 Placement, details as set out in paragraph 6.4.5 of this IFA Letter; and (ii) the proposed development of an online property transaction platform by the Company jointly with renowned pioneer China real estate developer CREU and Oei Hong Leong Foundation. This portal is expected to serve overseas Chinese investors, tapping CREU’s extensive China real estate database.

7. OUR OPINION

In arriving at our opinion in respect of the Whitewash Resolution, we have taken into account the following key considerations, as summarised below:

- (a) the rationale for the Rights cum Warrants Issue and the use of proceeds;
- (b) the *pro rata* basis of the Rights cum Warrants Issue;
- (c) the historical financial performance and financial position of the Group;
- (d) the assessment of the Issue Price and the Exercise Price;
- (e) the financial effects of the Rights cum Warrants issue;
- (f) the dilution impact of the Rights cum Warrants issue on the Independent Shareholders; and
- (g) other relevant considerations.

Accordingly, after taking into account the above factors, we are of the opinion that the terms of the Rights cum Warrants Issue, being the subject of the Whitewash Resolution, are fair and reasonable, and the Whitewash Resolution, when considered in the context of the Rights cum Warrants Issue, is not prejudicial to the interests of the Independent Shareholders. We therefore advise the Independent Directors to recommend to the Independent Shareholders to vote in favour of the Whitewash Resolution.

Our opinion set out in this IFA Letter is addressed to the Independent Directors for their consideration of the Whitewash Resolution, and the recommendation to be made by the Independent Directors to the Independent Shareholders shall remain the sole responsibility of the Independent Directors. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other person may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose which does not relate to the Whitewash Resolution, at any time and in any manner without our prior written consent in each specific case.

APPENDIX C – LETTER FROM THE IFA TO THE DIRECTORS

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Alex Tan
Chief Executive Officer

Karen Soh
Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms in this Notice which are not defined herein shall have the same meaning ascribed to them in the Circular to Shareholders dated 21 November 2017.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of the shareholders (the “**Shareholders**”) of Asia-Pacific Strategic Investments Limited (the “**Company**”) will be held at Guild Room, The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 038983 on 6 December 2017 at 11.00 a.m. for the purposes of considering and, if thought fit, passing (with or without modifications) the following ordinary resolutions.

ORDINARY RESOLUTION 1: THE RIGHTS CUM WARRANTS ISSUE

That, contingent upon the passing of Ordinary Resolution 2 and Ordinary Resolution 3 herein in this Notice of EGM, the renounceable partially-underwritten rights issue of up to 14,537,002,596 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at the issue price of \$0.003 for each Rights Share, and up to 14,537,002,596 free detachable warrants (the “**Warrants**”), with each Warrant carrying the right to subscribe for one (1) new ordinary share (“**Warrant Share**”) in the capital of the Company at an exercise price of \$0.003 for each Warrant Share, on the basis of two (2) Rights Shares for every one (1) existing ordinary share in the capital of the Company held by the Shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined (the “**Books Closure Date**”), and one (1) Warrant for every one (1) Rights Share subscribed, fractional entitlements to be disregarded (“**Rights cum Warrants Issue**”), be and is hereby approved and authority be and is hereby given to the Board of Directors of the Company to:

- (a) create and issue:
 - (i) such number of Rights Shares as the Directors may determine up to 14,537,002,596 Rights Shares at an issue price of \$0.003 for each Rights Share;
 - (ii) such number of Warrants as the Directors may determine up to 14,537,002,596 Warrants in registered form to be issued together with the Rights Shares, each such Warrant to entitle the holder thereof to subscribe for one (1) Warrant Share at an exercise price of \$0.003 for each Warrant Share at any time during the period commencing on the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants subject to the terms and conditions of the deed poll (the “**Deed Poll**”) constituting the Warrants to be executed by the Company on such terms and conditions as the Directors may deem fit; and
 - (iii) such further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Deed Poll (any such further Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Deed Poll);
- (b) provisionally allot and to issue up to 14,537,002,596 Rights Shares with up to 14,537,002,596 Warrants at an issue price of \$0.003 for each Rights Share on the basis of two (2) Rights Shares for every one (1) existing ordinary share in the capital of the Company held by the Shareholders of the Company as at the Books Closure Date, and one (1) free Warrant for every one (1) Rights Share, fractional entitlements to be disregarded; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
- (i) up to 14,537,002,596 Warrant Shares on the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Deed Poll, such Warrant Shares (when issued and paid) to rank *pari passu* in all respects with the then existing shares of the Company (save as may otherwise be provided in the terms and conditions of the Deed Poll) save for any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the Warrant Shares; and
 - (ii) on the same basis as paragraph (c)(i) above, such further new ordinary shares in the capital of the Company as may be required to be allotted and issued on the exercise of any of the Warrants referred to in paragraph (a)(iii) above,

on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may deem fit:

- (a) the provisional allotments of the Rights Shares with Warrants under the Rights cum Warrants Issue shall be made on a renounceable basis to the Shareholders whose names appear in the Register of Members of the Company or the records of the Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date with registered addresses in Singapore or who have, at least three (3) market days prior to the Books Closure Date, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents, on the basis of two (1) Rights Share for every one (1) existing ordinary shares in the capital of the Company then held by the Shareholders, and one (1) Warrant for every one (1) Rights Share subscribed or in such other proportions as the Directors may deem fit;
- (b) no provisional allotment of the Rights Shares with Warrants shall be made in favour of Shareholders with registered addresses outside Singapore as at the Books Closure Date or who have not, at least three (3) market days prior thereto, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”);
- (c) the entitlements to the Rights Shares with Warrants which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the rights entitlements relating thereto to Purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than \$10.00, such amount shall instead be retained or dealt with for the sole benefit of the Company;
- (d) the entitlements to the Rights Shares with Warrants not taken up or allotted for any reason (other than allotments to Foreign Shareholders referred to above) shall be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company; and
- (e) the Rights Shares when issued and fully paid up will rank *pari passu* in all respects with the then existing ordinary shares in the capital of the Company save for any dividends, rights, allotments or other distribution, the record date for which falls before the date of issue of the Rights Shares,

and the Directors be and are hereby authorised to take such steps, do all such acts and things, make such amendments to the terms of the Rights Shares and Warrants and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2: THE WHITEWASH RESOLUTION

That contingent upon the passing of Ordinary Resolution 1 and Ordinary Resolution 3 herein in this Notice of EGM, approval be and is hereby given as follows:

subject to the satisfaction of all the conditions set out in the Securities Industry Council's letter of 6 November 2017, Shareholders (other than Mr. Hano Maeloa and Ms. Oei Siu Hoa @ Sukmawati Widjaja, the concert parties of the Concert Party Group and parties not independent of them) do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer from the Concert Party Group in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**"), in the event that the Concert Party Group's subscription of the Rights Shares and Warrant Shares arising from the exercise of the Warrants under the Rights cum Warrants Issue and/or the Adjustment Warrant Shares arising from the exercise of the Adjustment Warrants (including (a) the subscription of up to 7,785,299,728 Rights Shares by Mr. Oei pursuant to the Sub-underwriting Commitment; and/or (b) the exercise of up to 7,785,299,728 Warrants subscribed by Mr. Oei under the Sub-underwriting Commitment) results in the Concert Party Group incurring an obligation to make a mandatory general offer pursuant to Rule 14 of the Code.

ORDINARY RESOLUTION 3: POSSIBLE TRANSFER OF CONTROLLING INTEREST

That contingent upon the passing of Ordinary Resolution 1 and Ordinary Resolution 2 herein in this Notice of EGM:

- (a) approval be and is hereby given to the allotment and issuance by the Company of up to 7,785,299,728 Rights Shares and 7,785,299,728 Warrants to Mr Oei, at the issue price of S\$0.003 for each Rights Share and an exercise price of S\$0.003 for each Warrant, on and subject to the terms of the Rights cum Warrants Issue and the Sub-underwriting Commitment, the issuance of such Rights Shares with Warrants constituting a transfer of a Controlling Interest in the Company to Mr. Oei pursuant to Rule 803 of the Catalist Rules; and
- (b) any of the Directors be and is hereby authorised to complete and to do all acts and things as he may consider necessary or expedient for the purposes of or in connection with, and to give effect to the matters referred to in paragraph (a) of this resolution as he shall think fit and in the interests of the Company.

By Order of the Board

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

Yap Wai Ming
Company Secretary
Singapore, 21 November 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTES:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend in his stead. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each proxy.
2. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at the EGM. A Relevant Intermediary is either:
 - (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or
 - (c) the Central Provident Fund (“CPF”) Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544 not less than 48 hours before the time appointed for holding of the EGM. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

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

PROXY FORM

(Please see notes overlaid before completing this Form.)

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act, Cap. 50 of Singapore (the "Act"), Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company ("CPF Investors"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Extraordinary General Meeting.

I/We, _____

of _____

being a member/members of **ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED** (the "Company") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of shareholdings	
			No. of Shares	%

or failing *him/her/them, the Chairman of the Extraordinary General Meeting of the Company as *my/our proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held at Guild Room, The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 038983 on 6 December 2017 at 11.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy/proxies may vote or abstain from voting as he/they may think fit on any other matter arising at the Extraordinary General Meeting.)

As Ordinary Resolutions:		For	Against
Resolution 1	To approve the Rights cum Warrants Issue		
Resolution 2	To approve the Whitewash Resolution		
Resolution 3	To approve the Possible Transfer of Controlling Interest		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Extraordinary General Meeting for the full purpose and intent of the Resolutions to be passed.

Dated this _____ day of _____ 2017.

Total Number of Shares in:	No. of Shares
CDP Register	
Register of Members	

Signature(s) of member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. Please insert the total number of Shares you hold. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the register of Shareholders of our Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the register of Shareholders, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the register of Shareholders. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares in the capital of the Company held by you.
 2. A member of the Company who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote on his behalf at the Extraordinary General Meeting. The proxy need not be a member of the Company.
 3. Where a member appoints more than one proxy, the member must specify the proportions of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
 4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise rights attached to a different share or shares held by him (which number or class of shares shall be specified).
 5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Extraordinary General Meeting.
 6. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544, not less than 48 hours before the time appointed for holding of the Extraordinary General Meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.
 7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
 9. An investor who holds shares under the Central Provident Fund Investment Scheme (“CPF Investor”) may attend and cast his vote(s) at the Meeting in person. CPF who are unable to attend the Extraordinary General Meeting but would like to vote may inform their CPF to appoint the Chairman of the Extraordinary General Meeting to act as their proxy, in which case, the CPF shall be precluded from attending the Extraordinary General Meeting.
- * A Relevant Intermediary is:-
- (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (b) a capital markets services licence holder which provides custodial services for securities and holds shares in that capacity; and
 - (c) Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 21 November 2017.

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