

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

- I. **ENTRY INTO A COOPERATION AGREEMENT IN RELATION TO THE OPERATION AND MANAGEMENT OF OECUSSE AIRPORT AND SUAI AIRPORT IN TIMOR-LESTE; AND**
 - II. **PROPOSED DIVERSIFICATION OF BUSINESS INTO THE NEW BUSINESS**
-

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Asia-Pacific Strategic Investments Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 17 December 2024, entered into a cooperation agreement (the “**Cooperation Agreement**”) with the Vice Prime Minister, Coordinating Minister for Economic Affairs, Minister of Tourism and Environment, Timor-Leste (the “**Government of Timor-Leste**”) for the operation and management of Oecusse Airport and Suai Airport (the “**Airports**”) (the “**Proposed Operation and Management of the Airports**”).

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

2. INFORMATION ON THE AIRPORTS

- 2.1 Oecusse Airport is an international airport serving Pante Macassar, the capital city of the Oecusse Special Administrative Region of Timor-Leste.
- 2.2 Suai Airport is an airport serving Suai, in Cova Lima Municipality, Timor-Leste.
- 2.3 Both the Airports are currently operational.

3. PRINCIPAL TERMS AND CONDITIONS OF THE COOPERATION AGREEMENT

- 3.1 The purpose of the Cooperation Agreement is to outline the mutual understanding and intentions of the parties to develop a long-term lease and operation agreement for the Airports to enhance their functionality, safety, and commercial viability while contributing to economic development of Timor-Leste within three (3) months from the entry into the Cooperation Agreement.
- 3.2 In accordance with the terms and conditions of the Cooperation Agreement,
 - 3.2.1 the Company and its consortium shall:
 - (a) Undertake the day-to-day operations and maintenance of the Airports;
 - (b) Develop and implement operational procedures to ensure safety, efficiency, and regulatory compliance;

- (c) Manage Airports staff, contractors, and service providers;
- (d) Enhance passenger experience and establish customer service standards;
- (e) Commercially develop the Airports, including concession and retail management, revenue-generating activities, and cargo services;
- (f) Develop strategic plans to establish the Airports as international hubs, with a focus on budget airlines and regional connectivity; and
- (g) Propose plans for the establishment of duty-free zones and bonded warehouses within the Airports premises.

3.2.2 The Government of Timor-Leste shall:

- (a) Provide full access to the Airports' facilities and infrastructure to enable the Company to perform its obligations;
- (b) Facilitate the creation of duty-free zones and bonded warehouses;
- (c) Support the Company in obtaining necessary permits, licenses, and regulatory approvals; and
- (d) Coordinate with government agencies and stakeholders to ensure smooth operations.

3.3 Following the execution of the Cooperation Agreement, the parties agree to work together to negotiate and execute a long-term lease and operational agreement (the "**Long-term Lease and Operational Agreement**") within three (3) months. The Long-term Lease and Operational Agreement shall include:

- (a) The duration of the lease of thirty (30) years, with the possibility of renewal upon mutual agreement;
- (b) The rental terms to be negotiated in good faith, with consideration for the mutual benefits to both parties;
- (c) The Government of Timor-Leste shall receive 20% of all profits generated from commercial activities related to the Airports; and
- (d) The Company shall be responsible for the financing, development, and operation of the Airports, while the Government of Timor-Leste shall ensure compliance with applicable laws and regulations.

3.4 The Cooperation Agreement shall remain in effect for a period of six (6) months from the date of the Cooperation Agreement, or until the Long-term Lease and Operational Agreement is executed, whichever is earlier.

3.5 Either party may terminate the Cooperation Agreement with thirty (30) days' written notice to the other party.

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

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

5. FURTHER ANNOUNCEMENTS

The Company will make an announcement disclosing further details of the Proposed Operation and Management of the Airports upon execution of the Long-term Lease and Operational Agreement and will make appropriate update announcement(s) on the Proposed Operation and Management of the Airports and the Proposed Diversification at the relevant time.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Operation and Management of the Airports.

7. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading the shares in the Company as there is no certainty or assurance as at the date of this announcement that the Long-term Lease and Operational Agreement will be entered into, the terms and conditions of the Proposed Operation and Management of the Airports will not differ from that set out in the Cooperation Agreement, or the Proposed Operation and Management of the Airports will be undertaken at all.

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

BY ORDER OF THE BOARD

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

18 December 2024

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this

announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay #10-00 Collyer Quay Centre Singapore 049318, sponsorship@ppcf.com.sg.