



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200609901H)

PROPOSED SHARE CONSOLIDATION OF EVERY 10 ORDINARY SHARES IN THE CAPITAL OF ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED (THE “COMPANY”) HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) ORDINARY SHARE (THE “CONSOLIDATED SHARES”) IN THE CAPITAL OF THE COMPANY (THE “PROPOSED SHARE CONSOLIDATION”)

1. INTRODUCTION

The Board of Directors of Asia-Pacific Strategic Investments Limited (the “**Company**”) wishes to announce that the Company proposes to undertake a share consolidation (the “**Proposed Share Consolidation**”) of every 10 ordinary shares in the capital of the Company (“**Shares**”) as at a books closure date to be determined by the Directors (“**Books Closure Date**”) into one consolidated share (“**Consolidated Shares**”), fractional entitlements to be disregarded.

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

Under the Proposed Share Consolidation, every 10 existing Shares registered in the name of each shareholder of the Company (“**Shareholder**”) as at the Books Closure Date will be consolidated to constitute one Consolidated Share. Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 1,000 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which they are entitled to, based on their holdings of Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a share arising from the Proposed Share Consolidation shall be disregarded. Fractions of a Consolidated Share arising from the Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

As at the date of this announcement, the Company has an issued and paid up share capital of S\$116,730,953 divided into 593,318,454 Shares. On the assumption that there will be no new Shares issued by the Company up to the Books Closure Date, following the implementation of the Proposed Share Consolidation, the Company will have a share capital of S\$116,730,953 divided into 59,331,845 Consolidated Shares.

The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the shareholders’ funds of the Company and its subsidiaries.

Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.

3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

The Proposed Share Consolidation will rationalize the share capital of the Company by reducing the number of Shares outstanding. The absolute price of the Shares of the Company traded on the SGX-ST has also been closing at a low level, with the last traded Share prices ranging between S\$0.155 to S\$0.240 in the past 12 months before the date hereof. Low traded share prices translate to higher transaction costs, relative to the trading price, for each trading of one board lot of shares. The Board of Directors of the Company believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders as it may serve to reduce the fluctuation in magnitude of the Company's market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares. In addition, the Proposed Share Consolidation may also increase market interest and activity in the Shares, and generally make the Shares more attractive to investors, including institutional investors thus providing a more diverse shareholder base.

However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

4. APPROVALS AND CONDITIONS

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the approval of Stamford Corporate Services Pte Ltd (the "**Sponsor**") and/or the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the Proposed Share Consolidation and the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST; and
- (b) the approval of Shareholders by ordinary resolution at an extraordinary general meeting ("**EGM**") of the Company to be convened.

5. ADJUSTMENT TO WARRANTS

The Company had on 18 May 2009 issued 590,000,000 warrants (the "**Warrants**") pursuant to the renounceable underwritten rights issue of 590,000,000 free detachable warrants at an issue price of S\$0.01, 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\$0.15 (the "**Exercise Price**") for each new share, on the basis of one (1) Warrant for every one (1) existing share in the capital of the Company held as at 21 April 2009, undertaken by the Company. As at the date of this announcement, 586,681,546 Warrants remain unexercised.

Appropriate adjustments will be made to the Warrants in connection with the Proposed Share Consolidation.

Subject to the approval for the Proposed Share Consolidation by the Sponsor and/or the SGX-ST, and Shareholders at the EGM, notice will be given to Warrantheolders in due course regarding, *inter alia*, details of the adjusted Exercise Price, the number of Adjusted Warrants held by each Warrantheolder pursuant to the Warrants Adjustment and the effective date of the Warrants Adjustment.

6. APPLICATION TO SPONSOR

An application will be made to the Sponsor for permission to deal in and for the listing of and quotation for the Consolidated Shares arising from the Proposed Share Consolidation. The Company will make the necessary announcements once the in-principle approval for the listing and quotation of the Consolidated Shares has been obtained from the SGX-ST and/or the Sponsor (as the case may be).

7. CIRCULAR

A circular containing, *inter alia*, the notice of EGM and the details of the Proposed Share Consolidation will be despatched to Shareholders in due course. In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares in the Company, which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations to be set out in the Circular.

BY ORDER OF THE BOARD
ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

Dato' Dr. Choo Yeow Ming
Chief Executive Officer

10 May 2010

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

*The contact person for the Sponsor is Mr. Yap Lian Seng.
Telephone number: 6389 3000 Email: lianseng.yap@stamfordlaw.com.sg*