



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200609901H)

**PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF
COEUR GOLD ARMENIA LIMITED**

1. INTRODUCTION

Further to the announcements dated 5 September 2013, 4 November 2013 and 2 January 2014, the Board of Directors (the “**Board**”) of Asia-Pacific Strategic Investments Limited (the “**Company**”) is pleased to announce that the Company had, on 25 February 2014, entered into a conditional sale and purchase agreement (the “**S&P Agreement**”) with GR Business Holdings Limited (the “**Vendor**”) whereby the Company will acquire the entire issued and paid-up share capital of Coeur Gold Armenia Limited (the “**Target Company**”) from the Vendor (the “**Proposed Acquisition**”).

The Proposed Acquisition, if undertaken and completed, is expected to result in a “very substantial acquisition” or a “reverse take-over” of the Company pursuant to Rule 1015 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)’s Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”).

2. INFORMATION RELATING TO THE VENDOR AND THE TARGET COMPANY

The information on the Vendor and the Target Company and their ultimate shareholders in this paragraph 2 was provided by the Vendor, which has been extracted and reproduced herein. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this Announcement.

2.1 The Vendor

The Vendor is a company incorporated in British Virgin Islands whose principal business is the development and production in mineral mining focusing on gold, copper and iron ore. The ultimate shareholders of the Vendor are China Global Energy & Resources Co Ltd (“**China Global**”) (51%) and Mr. George H. Richmond (49%).

China Global is a professional investment company that has strong presence both within and outside of China. China Global has strong connections with top Chinese conglomerates and, by tapping into their industry positions and financial strength, is committed to foster synergies between Chinese and international industry leaders and thus create the utmost value for its clients. China Global’s core business areas include the following:

- (a) International Engineering, Procurement and Construction (EPC) as well as relevant Build-Own-Operate (BOO), Build-Operate-Transfer (BOT) and Public-Private Partnership (PPP) projects;
- (b) Commodity trading which includes oil, gold, copper, iron ore, coal etc;
- (c) Advisory and other relevant services;
- (d) Cross-border mergers and acquisitions;
- (e) Establishing and managing private equity funds;
- (f) Direct investment in energy, mining and high-end equipment companies.

Managed and operated exclusively by Beijing CITIC ZCYT Investment Co Ltd, China Global has an excellent track record of identifying and executing cross-border transactions. Under its leadership, China Railway Construction Corporation secured a 4.2 billion RMB railway project, which was the largest overseas EPC project among all Chinese contractors in Saudi Arabia. Similarly, China Global helped Sinopec acquire a \$3.5 billion refinery EPC project in Kazakhstan, which was also the largest project undertaken by Chinese entities in Kazakhstan.

Mr. George H. Richmond is an experienced business development and investment professional within the mining sector with an outstanding record of achievement. Projects in which he has had senior managerial and ownership positions have been located in Georgia, Armenia, Azerbaijan, Uzbekistan, Kazakhstan, Russia, Mexico, Australia and Turkey. His experience involves the exploration of natural resources such as gold, copper, iron and other minerals in partnership with major foreign companies e.g. Caspian Investment Foundation, Mittal Steel-Global Steel Holdings and Caspian Resources Consortium, with particular experience in the processing and rehabilitation of tailings and waste heaps associated with mining operation.

2.2 The Target Company

The Target Company is an investment holding company organised and existing under the laws of the Republic of Seychelles with an entire issued and paid-up capital of US\$1.00 consisting of 1 ordinary share, and holds controlling interests in the two companies as set out below which in turn hold mining exploration rights in the Azatek and Sofi Bina Mineral Deposits, Armenia in respect of gold, silver, antimony and copper:

- (a) Vayk Gold LLC (“**VGL**”), a company incorporated in the Republic of Armenia. The Target Company holds 80% of the entire issued share capital of VGL; and
- (b) Vardani Zartong Ltd (“**VZL**”), a company registered by “Meghri” Territorial Subdivision of the State Register Book of Legal Entities of the Republic of Armenia. The Target holds 80% of the entire issued share capital of VZL,

(collectively, the Target Company, VGL and VZL shall be known as the “**Target Group**”).

VGL holds a mining exploration licence in respect of gold, silver, antimony and copper deposits located at the Azatek Mine in the Vayots Dzor Marz Province of Armenia. The licence covers an area of 140 hectares and is valid for 25 years from 23 November 2012.

VZL holds a mining exploration licence in respect of gold, silver, antimony and copper deposits located at the Sofi Bina Mine in the Vayots Dzor Marz Province of Armenia. The licence covers an area of 60 hectares and is valid for 16 years from 3 November 2010.

Please refer to Appendix B and Appendix C for further information on the mining exploration licenses.

2.3 Financial Highlights of the Target Group

A summary of the unaudited combined financial statements of the Target Group for the financial period from the date of incorporation (5 September 2011) to 30 November 2012 as well as the financial year ended 30 November 2013 is set out below. The Target Group's financial statements have been prepared in accordance with the International Financial Reporting Standards.

Combined Income Statement

	Financial period from 5 September 2011 to 30 November 2012 GBP	Financial year ended 30 November 2013 GBP
Income	-	-
Expenses	(118,468)	(129,243)
Loss before income tax	(118,468)	(129,243)
Income tax expense	-	-
Net loss	(118,468)	(129,243)

Combined Balance Sheet

	As at 30 November 2012 GBP	As at 30 November 2013 GBP
Current Asset		
Cash in bank	478	42
Current Liability		
Other payables	117,946	246,753
Net liabilities	(117,468)	(246,711)
EQUITY		
Share capital	1,000	1,000
Accumulated loss	(118,468)	(247,711)
	(117,468)	(246,711)

As (a) the Target Company was only incorporated on 5 September 2011 and has yet to commence operations as at the date of this Announcement; and (b) the Company intends for its current bereavement care services business to be ceased, transferred or disposed of before the Completion Date (as defined below), it is not meaningful to provide pro forma financial information of the enlarged group of companies (comprising the Company and its subsidiaries (collectively, the “**Group**”) and the Target Group) after completion of the Proposed Acquisition.

The book value of the Target Group as at 30 November 2013 is a net tangible liability of GBP 246,711.

3. KEY TERMS OF THE PROPOSED ACQUISITION

3.1 Sale and Purchase

Pursuant to the S&P Agreement, the Company shall acquire one (1) ordinary share in the capital of the Target Company (the “**Sale Shares**”), representing the entire issued and paid-up share capital of the Target Company as at the Completion Date of the Proposed Acquisition free and clear of all encumbrances and together with all the rights and benefits of any nature attaching thereto including but not limited to the right to receive all dividends and distributions which may be paid, declared or made thereon thereafter.

3.2 Purchase Consideration

In Sections 3.2 and 3.3, the following words and expressions shall have the following meanings:

“**Adjustment Warrants Issue**” means the adjustments that may be made to the number and/or exercise price of the outstanding warrants issued by the Company as a result of the Rights cum Warrants Issue;

“**Existing Shares**” means the existing ordinary shares of the Company;

“**Outstanding 2013 Warrants**” means the outstanding and unexercised warrants issued by the Company pursuant to the deed poll entered into by the Company on 14 June 2013;

“**Outstanding Introducer Warrants**” means the outstanding and unexercised warrants issued by the Company pursuant to the deed poll entered into by the Company on 10 December 2013;

“**“Rights cum Warrants Issue**” means the renounceable rights issue announced by the Company on 27 November 2013 subject to, *inter alia*, approval by shareholders of the Company at an extraordinary general meeting to be convened;

“**Adjustment Warrants Issue**” means the adjustments that may be made to the number and/or exercise price of the outstanding warrants issued by the Company as a result of the Rights cum Warrants Issue;

“**Warrants**” means the warrants with each warrant carrying the right to subscribe for one (1) new share in the Company pursuant to the Rights cum Warrants Issue.

The consideration payable by the Company for the Sale Shares is S\$500,000,000 (the “**Consideration**”), which will be satisfied by the allotment and issuance of 1,347,136,209 new ordinary shares in the capital of the Company (the “**Consideration Shares**”) at the agreed issue price of S\$0.371 per share (the “**Issue Price**”). The Consideration was arrived at following arm’s length negotiations on a willing seller willing buyer basis, and taking into account (i) the Preliminary Financial Appraisal of the Azatek Au-Polimetallc Deposits, Armenia dated 14 December 2007 commissioned by Wardell Armstrong which valued the deposits in the Project Land Area(s) (as defined in Appendix B) at US\$45 million to US\$53 million (the “**Preliminary Financial Appraisal**”); (ii) current market price of gold and other metals in the Project Land Area; and (iii) future business potential of the Target Group.

The Company will be commissioning a valuation report by an independent firm of professional valuers to value the assets of the Target Group, including the Azatek and Sofi Bina gold deposits in the Project Land Area(s) (the “**Independent Valuation Report**”).

The Consideration, the Consideration Shares and Issue Price shall be adjusted in accordance with the circumstances set out below:

(a) Downward Adjustment to the Consideration and the Consideration Shares

In the event that the assets of the Target Group which shall include the Azatek and Sofi Bina gold deposits in the Project Land Area(s) are valued at **less than S\$528 million**, as confirmed in the Independent Valuation Report,

- (i) the Consideration shall be adjusted downwards such that the adjusted Consideration shall be:

$$\frac{\text{Value of the assets of the Target Group as confirmed in the Independent Valuation Report}}{\text{S\$528,000,000}} \times \text{S\$500,000,000}$$

(“**Downward Adjusted Consideration**”); and

- (ii) the number of Consideration Shares shall be adjusted downwards such that the adjusted number of Consideration Shares shall be:

$$\frac{\text{Downward Adjusted Consideration}}{\text{S\$0.371}}$$

(b) Upward Adjustment to the Consideration Shares and the Issue Price

In the event that the Rights cum Warrants Issue and the Adjustment Warrants Issue are completed before the Completion Date,

- (i) The number of Consideration Shares shall be adjusted upwards such that the adjusted number of Consideration Shares shall be:

$$\frac{(\text{number of Existing Shares} + \text{number of Outstanding 2013 Warrants} + \text{number of Outstanding Introducer Warrants} + \text{number of Warrants}) \text{ immediately following the completion of the Rights cum Warrants Issue and the Adjustment Warrants}}{1,347,136,209} \times$$

Issue
149,681,801

(“Upward Adjusted Consideration Shares”).

For the avoidance of doubt, the number of Consideration Shares shall not be adjusted upwards in proportion to any Shares and/or warrants that have been issued pursuant to the Company’s renounceable underwritten rights issue of warrants offered through an offer information statement dated 23 April 2009.

- (ii) If the number of Consideration Shares is adjusted upwards in accordance with paragraph 3.2.(b)(i) above, the Issue Price will be adjusted such that the adjusted Issue Price shall be:

$$\frac{\text{S\$500,000,000}}{\text{Upward Adjusted Consideration Shares}}$$

- (c) In the event that the events in paragraph 3.2(a) and paragraph 3.2(b) apply such that adjustments are required to be made pursuant to both paragraphs, the adjustment formulas in paragraph 3(a) shall first be applied for the downward adjustment to the Consideration and the Consideration Shares, and then the following adjustment formulas be applied such that:

- (i) The number of Consideration Shares shall be adjusted such that the adjusted Consideration Shares shall be:

(number of Existing Shares + number of Outstanding 2013 Warrants + number of Outstanding Introducer Warrants + number of Warrants) immediately following the completion of the Rights cum Warrants Issue and the Adjustment Warrants Issue	x	Adjusted Consideration Shares computed in accordance with paragraph 3.2(a)(ii)
<hr/> 149,681,801		

- (ii) The Issue Price will be adjusted such that the adjusted Issue Price shall be:

$$\frac{\text{Adjusted Consideration computed in accordance with paragraph 3.2(a)(i)}}{\text{Adjusted Consideration Shares computed in accordance with paragraph 3.2(c)(i)}}$$

3.3 Introducer Warrants

Pursuant to the S&P Agreement, 27,500,000 non-listed, transferrable warrants (subject to adjustments in paragraph 3.3) (the “**Introducer Warrants**”) shall be issued to Sim Chek Tong (the “**Introducer**”) for introducing the Vendor to the Company in respect of the Acquisition (the “**Introducer Warrants Issue**”). The Introducer was introduced to the Company by the Company’s independent director, Chew Soo Lin, who is the brother-in-law of the Introducer. Save as disclosed, the Introducer is independent from the Group, its directors and substantial shareholders. For the avoidance of doubt, Chew Soo Lin was not involved in the negotiations of the S&P Agreement.

The Introducer has previously been issued 11,000,000 warrants pursuant to a deed poll dated 10 December 2013, details of which were announced on 4 November 2013. Separately, the Company has entered into a subscription agreement dated 27 February 2014 with the Introducer pursuant to which the Introducer will be issued 16,500,000 warrants, details of which were announced on 28 February 2014.

The Introducer Warrants Issue pursuant to the S&P Agreement is additional to the 11,000,000 warrants issued to the Introducer pursuant to a deed poll dated 10 December 2013, details of which were announced on 4 November 2013 and the 16,500,000 warrants proposed to be issued to the Introducer, details of which were announced on 28 February 2014.

The principal terms of the Introducer Warrants shall be as follows:

- | | | |
|-----------------------------|---|--|
| Transferability | : | The Introducer Warrants are freely transferable. In the event of a transfer of Introducer Warrants, the transferor must lodge a duly executed transfer notice in the prescribed form to the Company |
| Exercise Rights | : | Each Introducer Warrant entitles the holder of the Introducer Warrant (the “ Introducer Warrantholder ”) to subscribe for one new Share (the “ Introducer Warrant Share ”) at the Exercise Price (as defined below) during the Exercise Period (as defined below) |
| Exercise Price | : | S\$0.334, which represents a discount of 10% to the issue price of the Consideration Shares |
| Exercise Period | : | The period commencing on the date of issue of the Introducer Warrants and expiring on the day immediately preceding the third anniversary of the date of issue of the Introducer Warrants |
| Adjustment Events | : | The Exercise Price and the number of Introducer Warrants to be held by each holder of Introducer Warrants will be subject to adjustments under certain circumstances as provided for in a deed poll to be executed by the Company for the purpose of constituting the Introducer Warrants (the “ Deed Poll ”) and appropriate announcements on the adjustments will be made by the Company. |
| Mandate | : | The allotment and issuance of the Introducer Warrants will be subject to approval by shareholders of the Company at an extraordinary general meeting to be convened |
| Listing | : | The Introducer Warrants will not be listed on the SGX-ST. |
| Conditions Precedent | : | The Introducer Warrants Issue shall be subject to, <i>inter alia</i> , approval by shareholders of the Company at an extraordinary general meeting to be convened and in-principle approval of the SGX-ST being obtained for the listing and quotation of the Introducer Warrant Shares on the Catalist |

Completion : The completion of the Introducer Warrants Issue shall take place no later than fourteen (14) days after the completion of the Acquisition.

In the event that the Rights cum Warrants Issue and the Adjustment Warrants Issue are completed before the Completion Date, the number of Introducer Warrants shall be adjusted such that the adjusted Introducer Warrants shall be:

$$\frac{\text{Adjusted Consideration Shares pursuant to paragraph 3.2}}{1,347,136,209} \times 27,500,000$$

and the Exercise Price shall be adjusted such that the adjusted Exercise Price shall be:

$$90\% \times \text{Adjusted Issue Price computed in accordance with paragraph 3.2}$$

The detailed terms and conditions of the Introducer Warrants Issue shall be set out in the Deed Poll and a subscription agreement which the Company and the Vendor shall enter into.

3.4 Completion

The completion of the Proposed Acquisition (the “**Completion**”) is conditional upon, inter alia, the conditions precedent specified in Appendix A (the “**Conditions Precedent**”) having been fulfilled or waived in accordance with the terms of the S&P Agreement. The Completion will take place on the date falling not more than fourteen (14) business days after all the Conditions Precedent are fulfilled or waived by the Company or the Vendor (as the case may be) in accordance with the terms of the S&P Agreement (the “**Completion Date**”).

In connection with the fulfillment of the Conditions Precedent, the Company will be commissioning a qualified person’s report as required under the Catalist Rules.

If the Conditions Precedent shall not have been fulfilled or waived by the Company or the Vendor (as the case may be) by the date falling four (4) months from the date of the S&P Agreement (or such date as the Company and the Vendor may agree in writing), the Company shall have no further obligation to issue the Consideration Shares to the Vendor or its nominee.

3.5 Shareholding Structure on Completion

On Completion, the Target Company will become a wholly-owned subsidiary of the Company and the Vendor or its nominee will hold approximately 84.5%¹ shareholding in the Company based on its enlarged share capital after Completion and assuming all outstanding warrants and the Introducer Warrants to be issued are exercised. The Vendor has undertaken to comply with, or procure compliance with, all applicable moratorium requirements imposed by the SGX-ST in respect of the Consideration Shares.

3.6 Whitewash Waiver

¹ Please refer to paragraph 8 and Appendix D (*Combined Pro Forma Financial Effects*) for further details.

As the Vendor will own more than 84.5%¹ of the enlarged voting share capital of the Company upon Completion, the Vendor and its concert parties will be required under Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”), to make a general offer for the remaining shares not owned or controlled by the Vendor and its concert parties at the highest price paid or agreed to be paid by any of them for the shares in the preceding six (6) months.

It is a condition precedent to the Proposed Acquisition that the Securities Industry Council grants the Vendor and its concert parties, and does not revoke or repeal any such grant, a waiver of their obligation to make a general offer under Rule 14 of the Code for all the shares of the Company not owned or controlled by them and that independent shareholders of the Company approve at an extraordinary general meeting of the Company a resolution for the waiver of their rights to receive such a mandatory offer from the Vendor and its concert parties (the “**Whitewash Resolution**”).

3.7 Compliance Placement

Pursuant to Rule 406(1) of the Catalist Rules, at least 15% of the issued share capital of the Company must be held in the hands of at least 200 public shareholders to maintain its listing status of the Catalist board of the SGX-ST. Upon Completion, the Company may not comply with the shareholding spread and distribution requirements under Rule 406(1) of the Catalist Rules and the Company shall, if necessary, issue such number of new ordinary shares in the capital of the Company to meet such shareholding spread and distribution requirements.

3.8 Service Contracts

It is envisaged that the Company will, upon Completion, enter into service contracts with certain key management (as nominated by the Vendor), the details of which will be disclosed in the Circular (as defined below) to be despatched to shareholders of the Company (the “**Shareholders**”) in due course. As at the date of this Announcement, there is no agreement for the Vendor to appoint a person to the Board and the Company has not entered into any service contract with any Director or any person proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Board is of the view that the Proposed Acquisition, if approved by the SGX-ST and Shareholders, is in the best interests of the Company and Shareholders for the following reasons:

- (a) it will enable the Company to embark on a business in the highly prospective mineral mining industry with the acquisition of assets after Completion of approximately S\$528 million in value; and
- (b) it will enhance shareholders value as the Company anticipates good cashflow from the new business and has the prospect of fast expanding the business of mineral mining, first in Armenia and subsequently, as opportunities become available, in other parts of Europe and Central Asia.

5. CURRENT BUSINESS OF THE COMPANY AND ITS SUBSIDIARIES

It is intended for the current bereavement care services business of the Group to be ceased, transferred or disposed of before the Completion Date (the “**Proposed Disposal of Existing Business**”). The Company will make further announcements as and when there are material updates in relation to the Proposed Disposal of Existing Business.

6. THE PROPOSED ACQUISITION AS A VERY SUBSTANTIAL ACQUISITION OR REVERSE TAKEOVER

Based on the latest unaudited financial statements of the Group for the financial period ended 31 December 2013 (save as otherwise specified), the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of Catalyst Rules are as follows:

Rule 1006(a)	
Net value of the assets to be disposed of	Not applicable
Net asset value of the Group	Not applicable
Size of relative figure	Not applicable

Rule 1006(b)	
Net profits ⁽¹⁾ attributable to the acquired assets	(RM706,000) ⁽⁶⁾
Net profits of the Group for the full financial year ended 30 June 2013 ⁽²⁾	(RM3,668,000)
Size of relative figure	19%

Rule 1006(c)	
Aggregate value of consideration to be given	S\$500,000,000
Company's market capitalization as at 24 February 2014 ⁽³⁾ , being the last traded market day immediately preceding the date of the S&P Agreement	S\$63,607,714
Size of relative figure	786%

Rule 1006(d)	
Number of equity securities to be issued by the Company as consideration ⁽⁴⁾ for an acquisition	1,347,136,209
Number of equity securities in issue ⁽⁵⁾	136,938,029
Size of relative figure	984%

Rule 1006(e)	
Aggregate volume or amount of proven and probable reserves to be disposed of	Not applicable
Aggregate of the Group's proven and probable reserves	Not applicable
Size of relative figure	Not applicable

Notes:

- (1) Under Rule 1002(3)(b) of the Catalyst Rules, net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits figure as stated is in respect of the full financial year ended 30 November 2013.

- (2) Under Rule 1002(3)(b) of the Catalist Rules, net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits figure used for comparison is that as announced for the Group's full financial year ended 30 June 2013 (instead of the latest announced consolidated net profits figure of the Group which is for only a period of 6 months ended 31 December 2013)
- (3) The market capitalisation of S\$63,607,714 is derived from the volume weighted average market price of S\$0.4645 per Share as at 24 February 2014, being the last traded market day immediately preceding the date of the S&P Agreement (*Source: Bloomberg*).
- (4) Based on the number of new Shares to be issued and allotted pursuant to the S&P Agreement, namely, the issuance of the Consideration Shares (being 1,347,136,209 Shares), assuming no adjustments made to the Consideration Shares.
- (5) Based on issued share capital of 136,938,029 as at the date of this Announcement.
- (6) The net profit of the Target Group was converted into RM using exchange rate of GBP1 : RM5.463.

The Board notes that (i) the relative figures under Rules 1006 (c) and (d) of the Catalist Rules exceed 100%; and (ii) in view that the Vendor will hold approximately 84.5% of the enlarged issued share capital of the Company upon Completion, the Proposed Acquisition will also result in a change in control of the Company. Accordingly, the Proposed Acquisition constitutes a "Very Substantial Acquisition" or a "Reverse Take-over Transaction" as defined under Chapter 10 of the Catalist Rules and will be subject to the approval of Shareholders and the issue of a listing and quotation notice by the SGX-ST pursuant to Rule 1015 of the Catalist Rules, and a full sponsor will be appointed in respect of the Proposed Acquisition.

7. PRO FORMA FINANCIAL EFFECTS

The Company intends to finance the payment of the Consideration through the issue of new Shares and the pro forma financial effects of the Proposed Acquisition as set out in Appendix D have been prepared based on, inter alia, the assumption that new shares have been issued for the purpose of payment of the Consideration.

8. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors (other than in his capacity as a Director or shareholders of the Company) or controlling Shareholders of the Company (other than through their respective shareholdings in the Company) has any interest, direct or indirect in the Proposed Acquisition.

9. FINANCIAL ADVISER

The Company will be appointing a financial adviser in respect of the Proposed Acquisition and is currently reviewing several quotations in this respect. The Company also intends to appoint such financial adviser as its continuing sponsor as soon as the Conditions Precedent are fulfilled, and such appointment shall be subject to the financial adviser's satisfactory completion of due diligence for purposes of such appointment. The Company will make further announcements as and when the appointment of a financial adviser is made.

10. INDEPENDENT FINANCIAL ADVISER

The Company will appoint an independent financial adviser to the independent directors of the Company in connection with the Whitewash Resolution.

11. FURTHER INFORMATION

Subject to SGX approval, a circular, containing further information on the Proposed Acquisition, the Whitewash Resolution and such other transactions as contemplated in the S&P Agreement (the “**Circular**”), together with a notice of the extraordinary general meeting of the Company, will be dispatched by the Company to Shareholders in due course.

A copy of the S&P Agreement and the Preliminary Financial Appraisal will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this Announcement.

12. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have been delegated supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (save for information relating to the Vendors and the Target Company) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed in this Announcement are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading in any material respect.

The Vendor accepts full responsibility for the accuracy of the information given in this Announcement in respect of the Vendor and the Target Company and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed by them in this Announcement in respect of the Vendor or the Target Company are fair and accurate in all material respects as at the date hereof, and that there are no material facts in respect of the Group the omission of which would make any statement in respect of the Group misleading in any material respect.

13. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions and further mutual due diligence. There is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed, or whether the Compliance Placement will occur, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this Announcement. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD
ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED**

Dato' Dr Choo Yeow Ming
Chief Executive Officer
28 February 2014

*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 SGX-ST and the SGX-ST 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. Ng Joo Khin.

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Appendix A

SUMMARY OF CONDITIONS PRECEDENT

1. Minimum Listing Requirements

- (a) The Target Group being able to establish the existence of adequate resources with reasonable prospects for economic extraction in a defined area where it has exploration and exploitation rights, and which must be substantiated by a qualified person's report required under the Catalyst Rules, and/or such other minimum listing requirements as prescribed for Mineral, Oil and Gas Companies by the Catalyst Rules from time to time (the "**Minimum Listing Requirements**").

2. Satisfactory Due Diligence

- (a) The satisfactory outcome of the Company's Due Diligence Exercise to confirm, *inter alia*, that:

- a. the Target Company holds the legal and beneficial ownership of 80% of the entire issued share capital of VGL, which shall be free from any encumbrances;
- b. the Target Company holds the legal and beneficial ownership of 80% of the entire issued share capital of VZL, which shall be free from any encumbrances;
- c. VGL and VZL having sole rights:
 - i. to search and explore for minerals in the Project Land Area(s);
 - ii. to develop and mine the mineral deposits contained in the Project Land Area(s);
 - iii. to process, refine, store and transport by any means all minerals extracted from the Project Land Area(s);
 - iv. to market, sell or dispose of all minerals extracted from the Project Land Area(s); and
 - v. to have access to, make use of, and perform all other activities in, the Project Land Area(s) that may be necessary or convenient in connection with the above;
- d. VGL and VZL having sole rights, title or interests in the operating licenses as set out in Appendix C;
- e. the assets of the Target Group which shall include the Azatek and Sofi Bina gold deposits in the Project Land Area(s) being valued at not less than S\$528 million, as confirmed in the Independent Valuation Report; and

provided that the Company shall not deem the outcome of the Company's Due Diligence Exercise unsatisfactory without reasonable cause and without first giving the Target Company a period of at least ten (10) Business Days to remedy any default in respect thereof; and;

- (b) The Vendor's Disclosure Letter being in a form satisfactory to the Company.

3. The Company's Board and Shareholders' Approvals

The resolutions of the Shareholders having been obtained for the entry into, implementation and completion of, the transactions contemplated in the S&P Agreement, including in particular:

- (a) the Proposed Acquisition;

- (b) the purchase of the Sale Shares on the terms set out in the S&P Agreement as a “Reverse Takeover” as defined under Chapter 10 of the Catalist Rules;
- (c) the allotment and issuance of the Consideration Shares,
- (d) the allotment and issuance of such number of placement shares (“**Compliance Placement Shares**”) as may be agreed between the Company and the Vendor or as may be necessary for the Company in connection with the Compliance Placement;
- (e) in respect of the Shareholders, the waiver of their rights, by way of a Whitewash Resolution, to receive a mandatory general offer for all the shares held by such shareholders to be made by the Vendor and parties acting in concert with the Vendor pursuant to Rule 14 of the Code as a result of the allotment and issue of the Consideration Shares to the Vendor, and such waiver not having been revoked prior to Completion;
- (f) the appointment of new directors as may be nominated by the Vendor;
- (g) the new share issue mandate for the Company to issue and allot shares and convertible securities pursuant to Section 161 of the Companies Act;
- (h) the change of auditors of the Company to such auditors as may be nominated by the Vendor, subject to SGX-ST having no objection to such change;
- (i) the change of name of the Company to such other name as the Vendor may direct (subject to prior approval for the new name being obtained from the Accounting and Corporate Regulatory Authority of Singapore);
- (j) the change of the Company’s core business to that of the Target Group’s; and
- (k) any additional items as may be agreed between the Company and the Vendor.

4. Regulatory Approvals

All necessary approvals, consents and waivers of any government bodies, stock exchange and other regulatory authority having jurisdiction over the transactions contemplated in the S&P Agreement and all other transactions in connection therewith and incidental thereto, having been obtained by the Vendor or the Company, as relevant, including without limitation:

- (a) the approval of the SGX-ST and the Sponsor being obtained by the Company in respect of the purchase of the Sale Shares on the terms set out in the S&P Agreement, being a reverse takeover under Rule 1015 of the Catalist Rules;
- (b) the in-principle approval of the SGX-ST being obtained by the Company in relation to the listing and quotation of the Consideration Shares and Compliance Placement Shares (if any) on the Catalist; and
- (c) the waiver of the SIC being obtained by the Vendor in relation to the obligation of the Vendor and their concert parties to make a general offer for all the shares of the Company under Rule 14 of the Code,

such consents, approvals and waivers not having been amended, withdrawn or revoked before the Completion Date, and to the extent that such consent, approvals and waivers are subject to any conditions required to be fulfilled before the Completion Date, all such conditions having been duly fulfilled.

5. No Illegality of Transaction

No relevant authority taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:

- (a) make the transactions contemplated in the S&P Agreement and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;
- (b) render the Company unable to purchase all or any of the Sale Shares in the manner set out in the S&P Agreement; and/or
- (c) render the Vendor unable to dispose of all or any of their Sale Shares in the manner set out in the S&P Agreement.

6. Warranties

Save as disclosed in the Vendor's Disclosure Letter, all representations, undertakings and warranties of the Company and the Vendor under the S&P Agreement being complied with, true, complete, accurate and correct in all material respects to the best knowledge and belief of the Vendor and the Company as at the date of the S&P Agreement and until the Completion Date.

Appendix B

PROJECT LAND AREA(S)

“Project Land Area(s)” means (a) the land area measuring 140 hectares over which VGL holds a 25 years mining exploration license located at the Azatek Mine in the Vayots Dzor Marz Province of Armenia; and (b) the land area measuring 60 hectares over which VZL holds a 16 years mining exploration licence located at the Sofi Bina Mine in the Vayots Dzor Marz Province of Armenia.

Appendix C

LIST OF OPERATING LICENSES OF VGL AND VZL

Approval/Permit	Country	Regulatory Body	Issue Date	Expiry Date	Resources	Held by	Licensed land area	Location
29/371 of Minerals Industry	Armenia	Ministry of Energy and Natural Resources	23 November 2012	25 years	Gold, silver, antimony and copper	VGL	140 hectares	Azatek Mine
HA-L-14/647 of Minerals Industry	Armenia	Ministry of Energy and Natural Resources	3 December 2010	16 years	Gold, silver, antimony and copper	VZL	60 hectares	Sofi Bina Mine

Appendix D

COMBINED PRO FORMA FINANCIAL EFFECTS

DEFINITIONS

In this Appendix D, words and expressions shall have the same meanings as in Paragraph 3.2 and the following meanings:

“2009 Warrants” means the outstanding and unexercised warrants issued pursuant to the Company’s renounceable underwritten rights issue of warrants offered through an offer information statement dated 23 April 2009;

“2013 Rights cum Warrants Issue” means 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; and

“2013 Warrants” means the outstanding and unexercised warrants issued by the Company pursuant to the deed poll entered into by the Company on 14 June 2013.

BASES AND ASSUMPTIONS

1. The combined pro forma financial effects of the Proposed Acquisition on the Group as set out in this Appendix D are based on the audited consolidated financial statements of the Group for the year ended 30 June 2013 (**“FY2013”**).
2. For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects have been prepared based on, *inter alia*, the following basis and assumptions:
 - (a) the financial effects of the Proposed Acquisition on the earnings and the earnings per Share (**“EPS”**) of the Group are computed assuming that:
 - (i) the Proposed Acquisition;
 - (ii) the Proposed Disposal of Existing Business; and
 - (iii) the 2013 Rights cum Warrants Issue, the exercise of 12 2009 Warrants and the exercise of 32,926,675 2013 Warrants;are completed on 1 July 2012;
 - (b) the financial effects of the Proposed Acquisition on the net tangible assets (**“NTA”**) of the Group are computed assuming that
 - (i) the Proposed Acquisition;
 - (ii) the Proposed Disposal of Existing Business; and
 - (iii) the 2013 Rights cum Warrants Issue, the exercise of 12 2009 Warrants and the exercise of 32,926,675 2013 Warrantsare completed on 30 June 2013;

- (c) the Vendor is the sole non-public shareholder after Completion. After Completion, the Vendor will hold approximately 84.5% of enlarged voting share capital of the Company. As such, no compliance placement is required;
- (d) the existing warrant holders will exercise all existing warrants after Completion ("**Exercise of Warrants**");
- (e) the analysis not taking into account the costs and expenses which are related to the Proposed Acquisition;
- (f) the Proposed Disposal of Existing Business will not result in any gain or loss to the Group; and
- (g) no goodwill will arise from the Proposed Acquisition. However, on Completion, the deemed consideration for the Proposed Acquisition for accounting purposes will be based on the fair value of Sale Shares as at the Completion Date. As final goodwill will have to be determined at the Completion Date, the actual goodwill could be materially different from the assumption used above. Any goodwill arising thereon from the Proposed Acquisition will be accounted for in accordance with the Singapore Financial Reporting Standards.

Shareholders should note that the pro forma financial effects of the Proposed Acquisition are purely for illustrative purposes only. The illustrative financial effects should not be construed to mean that the Group's actual results, performance or achievements will be as expected, expressed or implied in such financial effects.

FINANCIAL EFFECTS

The effects of the Proposed Acquisition on the EPS and NTA of the Group for FY2013 are as follows:

EPS

	Before the Proposed Acquisition	After completion of 2013 Rights cum Warrants Issue, exercise of 2009 Warrants and exercise of 2013 Warrants	After Completion	After Exercise of Warrants
Loss attributable to equity holders of the Company (RM'000)	(3,438)	(3,438)	(4,273)	(4,273)
Weighted average number of ordinary shares in issue ('000)	69,341	136,938	1,484,074	1,593,703
EPS (RM cents)	(5.0)	(2.5)	(0.3)	(0.3)

NTA

	Before the Proposed Acquisition	After completion of 2013 Rights cum Warrants Issue, exercise of 2009 Warrants and exercise of 2013 Warrants	After Completion	After Exercise of Warrants
NTA (RM'000)	48,536	61,260	108,916	363,035
Number of ordinary shares in issue (‘000)	69,341	136,938	1,484,074	1,593,703
NTA per share (RM cents)	70.0	44.7	7.3	22.8