



# ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

## Financial Statements And Dividend Announcement for the Half Year And Second Quarter Ended 31 December 2010

### PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

#### 1(a)(i) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	2nd Qtr Ended		Increase/ (decrease) %	Half Year Ended		Increase/ (decrease) %
		31/12/10 RM'000	31/12/09 RM'000		31/12/10 RM'000	31/12/09 RM'000	
Revenue		5,046	5,533	(8.8)	9,821	12,471	(21.2)
Cost of sales		<u>(2,288)</u>	<u>(2,487)</u>	(8.0)	<u>(4,788)</u>	<u>(5,597)</u>	(14.5)
Gross profit		2,758	3,046	(9.5)	5,033	6,874	(26.8)
Other income		138	14	885.7	543	314	72.9
Expenses							
- Selling and distribution		(723)	(505)	43.2	(1,290)	(1,045)	23.4
- General and administrative		(3,730)	(4,052)	(7.9)	(7,536)	(7,692)	(2.0)
- Other		(5)	(1)	400.0	(5)	(1)	400.0
- Financial		<u>(286)</u>	<u>(302)</u>	(5.3)	<u>(575)</u>	<u>(611)</u>	(5.9)
Loss before income tax	A	(1,848)	(1,800)	2.7	(3,830)	(2,161)	77.2
Income tax expense	B	<u>(27)</u>	<u>(22)</u>	22.7	<u>(107)</u>	<u>(268)</u>	(60.1)
<b>Net loss</b>		<u>(1,875)</u>	<u>(1,822)</u>	2.9	<u>(3,937)</u>	<u>(2,429)</u>	62.0
<b>Other comprehensive income, net of tax</b>							
Currency translation differences arising from consolidation		<u>-</u>	<u>(54)</u>	n.m.	<u>-</u>	<u>12</u>	n.m.
<b>Total comprehensive loss</b>		<u>(1,875)</u>	<u>(1,876)</u>	(0.1)	<u>(3,937)</u>	<u>(2,417)</u>	62.9

*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 Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor had 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 statements or opinions made or reports contained in this announcement.*

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Note	2nd Qtr Ended		Increase/ (decrease) %	Half Year Ended		Increase/ (decrease) %
	31/12/10 RM'000	31/12/09 RM'000		31/12/10 RM'000	31/12/09 RM'000	
<b>Loss attributable to:</b>						
Owner of the parent	(1,873)	(1,864)	0.5	(3,925)	(2,422)	62.0
Non-controlling interests	<u>(2)</u>	<u>42</u>	n.m.	<u>(12)</u>	<u>(7)</u>	71.4
	<u>(1,875)</u>	<u>(1,822)</u>	2.9	<u>(3,937)</u>	<u>(2,429)</u>	62.0
<b>Total comprehensive loss attributable to:</b>						
Owner of the parent	(1,873)	(1,901)	(1.5)	(3,925)	(2,420)	62.2
Non-controlling interests	<u>(2)</u>	<u>25</u>	n.m.	<u>(12)</u>	<u>3</u>	n.m.
	<u>(1,875)</u>	<u>(1,876)</u>	(0.1)	<u>(3,937)</u>	<u>(2,417)</u>	62.9

\*n.m. = not meaningful.

### 1(a)(ii) Notes to statement of comprehensive income

A. The loss before income tax is determined after charging/(crediting) the following:

	2nd Qtr Ended		Increase/ (decrease) %	Half Year Ended		Increase/ (decrease) %
	31/12/10 RM'000	31/12/09 RM'000		31/12/10 RM'000	31/12/09 RM'000	
Interest income:						
- Bank balances	(77)	(36)	113.9	(143)	(145)	(1.4)
- Adjustment of trade receivables to amortised cost	-	(7)	n.m.	-	(63)	n.m.
Interest expenses:						
- Finance leases	6	8	(25.0)	12	16	(25.0)
- Adjustment of other payable to amortised cost	178	178	-	356	357	(0.3)
- Adjustment of trade receivables to amortised cost	2	-	n.m.	2	-	n.m.
- Bank guarantee	49	47	4.3	96	94	2.1
- Bank overdraft	10	12	(16.7)	22	24	(8.3)
- Term loans	41	57	(28.1)	87	120	(27.5)
Depreciation of property, plant and equipment	137	120	14.2	269	244	10.2
Foreign exchange (gain)/loss	(4)	62	n.m.	(178)	(57)	212.3
Operating lease expenses	346	373	(7.2)	727	751	(3.2)

B. Income tax expense

	2nd Qtr Ended		Increase/ (decrease)	Half Year Ended		Increase/ (decrease)
	31/12/10	31/12/09	(decrease)	31/12/10	31/12/09	(decrease)
	RM'000	RM'000	%	RM'000	RM'000	%
Income tax expense						
- Current period	27	22	22.7	108	268	(59.7)
- Over provision in respect of prior year	-	-	-	(1)	-	n.m.
	<u>27</u>	<u>22</u>	22.7	<u>107</u>	<u>268</u>	(60.1)

A provision of RM108,000 was made for income tax expense in the 6 months ended 31 December 2010 even though the Group had recorded a loss before tax. This was because the loss incurred by the Company cannot be used to claim group relief to offset the relevant taxes imposed on the chargeable income of subsidiaries in Malaysia.

**1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediate preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2010</b> RM'000	<b>30/06/2010</b> RM'000	<b>31/12/2010</b> RM'000	<b>30/06/2010</b> RM'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	13,048	17,708	2,482	6,681
Trade and other receivables	29,172	31,233	37,694	36,067
Inventories and development expenditure	48,907	48,131	-	-
Other current assets	3,335	3,191	2,325	1,986
	<u>94,462</u>	<u>100,263</u>	<u>42,501</u>	<u>44,734</u>
<b>Non-current assets</b>				
Trade and other receivables	23	31	-	-
Investment in subsidiaries	-	-	224,540	224,540
Property, plant and equipment	2,000	1,936	254	281
Intangible asset	7,838	7,838	-	-
	<u>9,861</u>	<u>9,805</u>	<u>224,794</u>	<u>224,821</u>
<b>Total assets</b>	<u>104,323</u>	<u>110,068</u>	<u>267,295</u>	<u>269,555</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	21,320	22,442	323	573
Borrowings	1,891	2,048	-	-
Current income tax liabilities	57	40	3	38
	<u>23,268</u>	<u>24,530</u>	<u>326</u>	<u>611</u>
<b>Non-current liabilities</b>				
Other payable	12,761	12,405	-	-
Borrowings	951	1,890	-	-
Deferred income tax liabilities	98	98	-	-
	<u>13,810</u>	<u>14,393</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>37,078</u>	<u>38,923</u>	<u>326</u>	<u>611</u>
<b>Net assets</b>	<u>67,245</u>	<u>71,145</u>	<u>266,969</u>	<u>268,944</u>

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2010</b>	<b>30/06/2010</b>	<b>31/12/2010</b>	<b>30/06/2010</b>
	RM'000	RM'000	RM'000	RM'000
<b>EQUITY</b>				
<b>Equity attributable to owner of the parent</b>				
Share capital	260,122	260,083	260,122	260,083
Restructuring reserve	(201,554)	(201,554)	-	-
Warrant reserve	13,429	13,431	13,429	13,431
Foreign currency translation reserve	5	5	-	-
Accumulated losses	(4,063)	(138)	(6,582)	(4,570)
	<u>67,939</u>	<u>71,827</u>	<u>266,969</u>	<u>268,944</u>
Non-controlling interests	(694)	(682)	-	-
<b>Total equity</b>	<u>67,245</u>	<u>71,145</u>	<u>266,969</u>	<u>268,944</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

Amount repayable in one year or less, or on demand

	<b>As at 31/12/2010</b>		<b>As at 30/06/2010</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
	RM'000	RM'000	RM'000	RM'000
Finance lease liabilities	123	-	132	-
<b>Bank borrowings:</b>				
Bank overdrafts	705	-	731	-
Term loans	1,063	-	1,185	-

Amount repayable after one year

	<b>As at 31/12/2010</b>		<b>As at 30/06/2010</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
	RM'000	RM'000	RM'000	RM'000
Finance lease liabilities	300	-	320	-
<b>Bank borrowings:</b>				
Term loans	651	-	1,570	-

## **Details of any collateral**

### **Finance lease liabilities**

Finance lease liabilities are for motor vehicles and are secured by way of legal mortgages on the underlying lease assets.

### **Bank borrowings**

- (a) The subsidiary, HMS Capital Sdn Bhd, was granted the following financing facilities:
- (i) Bank guarantees of up to RM13,775,000;
  - (ii) A term loan of up to RM4 million; and
  - (iii) An overdraft facility of up to RM500,000 from a licensed bank.

This term loan is repayable in 48 monthly instalments, the first of which commenced in August 2008. The recurring monthly instalments have thus far been duly repaid. The banking facility is secured by fixed deposits of RM7,094,000 and a corporate guarantee from the Company.

- (b) The subsidiary, U&U Memorial Development (S.P.) Sdn Bhd (“UUMD”), was granted the following facilities:
- (i) Bank guarantees of up to RM500,000;
  - (ii) A term loan of up to RM800,000; and
  - (iii) An overdraft facility of up to RM700,000 from a licensed bank.

The term loan is repayable in 60 monthly instalments, the first of which commenced in August 2008. The term loan was fully repaid during the financial period. This banking facility is secured by fixed deposits of RM148,000, a corporate guarantee from Credit Guarantee Corporation (M) Berhad, a corporate guarantee from U&U Memorial Corporation (M) Sdn Bhd and personal guarantees from certain directors/managers of UUMD.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>2nd Qtr Ended</b>		<b>Half Year Ended</b>	
	<b>31/12/10</b>	<b>31/12/09</b>	<b>31/12/10</b>	<b>31/12/09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>				
Net loss	(1,875)	(1,822)	(3,937)	(2,429)
Adjustments:				
Depreciation of property, plant and equipment	137	120	269	244
Property, plant and equipment written off	17	1	17	1
Loss/(gain) on disposal of property, plant and equipment	3	(11)	3	(11)
Gain on disposal of financial asset, at fair value through profit and loss	-	(2)	-	(2)
Interest expense	286	302	575	611
Income tax expense	27	22	107	268
Interest income	(77)	(43)	(143)	(208)
Exchange difference arising from consolidation	-	(54)	-	12
	<u>(1,482)</u>	<u>(1,487)</u>	<u>(3,109)</u>	<u>(1,514)</u>
<b>Change in working capital</b>				
Financial assets, at fair value through profit and loss	-	1,177	-	-
Inventories and development expenditure	(113)	(698)	(776)	(1,190)
Trade and other receivables	471	(363)	917	(2,125)
Other current assets	66	(35)	(143)	135
Trade and other payables	<u>(975)</u>	<u>605</u>	<u>(1,123)</u>	<u>306</u>
<b>Cash used in operations</b>	<u>(2,033)</u>	<u>(801)</u>	<u>(4,234)</u>	<u>(4,388)</u>
Income tax (paid)/refunded	(156)	(59)	1,060	(84)
Interest expense paid	(106)	(124)	(217)	(254)
Interest income received	<u>78</u>	<u>36</u>	<u>143</u>	<u>145</u>
<b>Net cash used in operating activities</b>	<u>(2,217)</u>	<u>(948)</u>	<u>(3,248)</u>	<u>(4,581)</u>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(109)	(41)	(316)	(77)
Proceed from disposal of property, plant and equipment	27	41	27	41
Proceed from disposal of financial asset	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
<b>Net cash (used in)/from investing activities</b>	<u>(82)</u>	<u>2</u>	<u>(289)</u>	<u>(34)</u>

	2nd Qtr Ended		Half Year Ended	
	31/12/10 RM'000	31/12/09 RM'000	31/12/10 RM'000	31/12/09 RM'000
<b>Cash flows from financing activities</b>				
Net proceeds from issuance of shares to non-controlling interests	-	-	-	24
Proceeds from exercise of warrants	2	-	37	6
Repayment of term loans	(752)	(277)	(1,041)	(547)
Decrease/(increase) in fixed deposits pledged	438	(43)	414	(43)
Repayment of finance lease liabilities	(60)	(57)	(93)	(95)
<b>Net cash used in financing activities</b>	<b>(372)</b>	<b>(377)</b>	<b>(683)</b>	<b>(655)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,671)</b>	<b>(1,323)</b>	<b>(4,220)</b>	<b>(5,270)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>7,772</b>	<b>16,610</b>	<b>9,321</b>	<b>20,557</b>
<b>Cash and cash equivalents and the end of period</b>	<b>5,101</b>	<b>15,287</b>	<b>5,101</b>	<b>15,287</b>

**Note to statement of cash flows**

**Cash and cash equivalents**

	31/12/2010 RM'000	31/12/2009 RM'000
Cash and bank balances	13,048	23,699
Less: Bank overdrafts	(705)	(859)
Less: Short term bank deposits pledged	(7,242)	(7,553)
<b>Cash and cash equivalents</b>	<b>5,101</b>	<b>15,287</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalising issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	← Attributable to owner of the parents →					Total	Non-controlling interests	Total equity
	Share capital	Restructuring reserve	Warrant reserve	Foreign currency translation reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>								
<b>6 months ended</b>								
<b>31 December 2010</b>								
Beginning of financial period	260,083	(201,554)	13,431	5	(138)	71,827	(682)	71,145
Total comprehensive loss	-	-	-	-	(3,925)	(3,925)	(12)	(3,937)
Issuance of new ordinary shares pursuant to exercise of warrants	39	-	(2)	-	-	37	-	37
End of financial period	<u>260,122</u>	<u>(201,554)</u>	<u>13,429</u>	<u>5</u>	<u>(4,063)</u>	<u>67,939</u>	<u>(694)</u>	<u>67,245</u>

	← Attributable to owner of the parents →					Total	Non-controlling interests	Total equity
	Share capital	Restructuring reserve	Warrant reserve	Foreign currency translation reserve	Retained earnings			
<b>6 months ended 31 December 2009</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Beginning of financial period	258,843	(201,554)	13,507	81	10,733	81,610	2,712	84,322
Total comprehensive loss	-	-	-	2	(2,422)	(2,420)	3	(2,417)
Issuance of new ordinary shares pursuant to exercise of warrants	6	-	- *	-	-	6	-	6
Issuance of new ordinary shares to non-controlling interests	-	-	-	-	-	-	24	24
End of financial period	<u>258,849</u>	<u>(201,554)</u>	<u>13,507</u>	<u>83</u>	<u>8,311</u>	<u>79,196</u>	<u>2,739</u>	<u>81,935</u>

\* Less than RM1,000.

	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
<b>Company</b>				
<b>6 months ended 31 December 2010</b>				
Beginning of financial period	260,083	13,431	(4,570)	268,944
Total comprehensive loss	-	-	(2,012)	(2,012)
Issuance of new ordinary shares pursuant to exercise of warrants	39	(2)	-	37
End of financial period	<u>260,122</u>	<u>13,429</u>	<u>(6,582)</u>	<u>266,969</u>
<b>6 months ended 31 December 2009</b>				
Beginning of financial period	258,843	13,507	(1,242)	271,108
Total comprehensive loss	-	-	(2,331)	(2,331)
Issuance of new ordinary shares pursuant to exercise of warrants	6	- *	-	6
End of financial period	<u>258,849</u>	<u>13,507</u>	<u>(3,573)</u>	<u>268,783</u>

\* Less than RM1,000.

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The movement of the Company's share capital has been as follows:

	Number of issued shares
Balance at 1 October 2010	59,340,404
Issuance of new shares pursuant to exercise of warrants during the period	<u>491</u>
Balance at 31 December 2010	<u>59,340,895</u>

The number of shares that may be issued on conversion of the Company's outstanding warrants as at the end of financial period is as follow:

	<b>31/12/2010</b>	<b>31/12/2009</b>
Total number of shares that may be issued on conversion of the Company's outstanding warrants	<u>58,657,027</u>	<u>589,982,279</u>

There were no outstanding treasury shares as at 31 December 2010.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding financial year.**

	<b>31/12/2010</b>	<b>30/06/2010</b>
Total number of issued shares excluding treasury shares	<u>59,340,895</u>	<u>593,324,673</u>

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation are consistent with those applied to the audited financial statements for the financial year ended 30 June 2010, except as disclosed in paragraph 5 below.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the new and revised Financial Reporting Standards (“FRS”) and Interpretation of FRS (“INT FRS”) that are relevant to its operations and effective from annual periods beginning on or after 1 January 2010. The adoption of the new/revised FRS and INT FRS did not result in changes to the Group’s or the Company’s accounting policies and had no material impact on the results under review. Where applicable, the presentation of the financial information has been amended to comply with these standards.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	2nd Quarter Ended		Half Year Ended	
	31/12/2010	31/12/2009 (restated)	31/12/2010	31/12/2009 (restated)
Net loss for the period attributable to owner of the parent (RM)	(1,873,000)	(1,864,000)	(3,925,000)	(2,422,000)
Weighted average number of shares (No.)	59,340,490	59,001,772	59,336,642	59,001,699
Basic loss per share (RM cents)	<u>(3.2)</u>	<u>(3.2)</u>	<u>(6.6)</u>	<u>(4.1)</u>

Note: On 22 July 2010, the Company completed its proposed share consolidation of every ten (10) ordinary shares in the capital of the Company into one (1) consolidated share (“Share Consolidation”). In accordance with FRS33, loss per share disclosure is made based on the number of shares or shares adjusted for the Share Consolidation. The weighted average number of ordinary shares outstanding during the financial period has been adjusted for the reduction in the number of ordinary shares to 59,340,490 and 59,336,642 for the second quarter ended 31 December 2010 and half year ended 31 December 2010 respectively. The comparative has been restated in a similar fashion.

The Company’s dilutive potential ordinary shares arise from the conversion of warrants that were issued on 18 May 2009. However, no diluted loss per share was presented for the quarters ended 31 December 2010 and 31 December 2009 as the exercise of the dilutive warrants would have pared the impact of the loss per share.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-**

- (a) **current financial period reported on; and**  
 (b) **immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2010</b>	<b>30/06/2010</b>	<b>31/12/2010</b>	<b>30/06/2010</b>
Net asset value per ordinary share	<u>RM1.14</u>	<u>RM0.12**</u>	<u>RM4.50</u>	<u>RM0.45**</u>

\*\* Based on the 593,324,673 issued shares preceding the Share Consolidation.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
 (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**A. Review of Financial Performance**

**Second Quarter Ended 31 December 2010 (“2QFY11”) vs Second Quarter Ended 31 December 2009 (“2QFY10”)**

Revenue in 2QFY11 was RM5.0 million, which fell by RM487,000 as compared to the RM5.5 million recorded in 2QFY10. This was mainly attributed to lower revenue from sales of columbaria and tomb construction which decreased by RM133,000 and RM210,000 respectively. The Group’s focused and targeted marketing efforts mitigated further revenue decline and shored up sales.

In line with the lower revenue, the Group recorded a gross profit of RM2.8 million in 2QFY11, RM288,000 lower as compared to 2QFY10. Diligent efforts to contain costs of sales, trimmer general and administrative costs and lower financial expenses helped to offset the higher selling and distribution charges during the quarter, resulting in a marginal RM48,000 higher loss of RM1.8 million.

**Half Year Ended 31 December 2010 (“1H FY11”) vs Half Year Ended 31 December 2009 (“1H FY10”)**

Revenue in 1H FY11 stood at RM9.8 million, RM2.6 million lower than 1H FY10. This was mainly due to lower sales of burial plots recorded in 1Q FY11. The Group did not carry out any strategic marketing campaign during the last quarter of FY10 or the first quarter of FY11, which was the main reason for the decrease in such sales.

The Group recorded a lower gross profit of RM5.0 million, in line with the decreased sales and lower gross profit margin. The overall gross profit margin dropped to 51% mainly because of lower sales of burial plots, which earn a higher gross profit margin.

As a result of the lower gross profit, the Group recorded a higher loss before income tax of RM3.8 million in 1H FY11.

### **Review of Financial Position**

There were no major variances in the Group's balance sheet as at 31 December 2010 compared to 30 June 2010 with the exception of the following:

1. A decrease of RM2.1 million in trade and other receivables as a result of the collection during the period.
2. Lower cash and bank balances of RM13.0 million mainly due to the repayment of term loan (RM1.0 million) and utilisation of funds in operating activities (RM3.2 million) during the period.

### **B. Review of Cash Flow**

The Group recorded a decrease in cash and cash equivalents of RM4.2 million in 1H FY11. This decrease was primarily attributable to an operating loss before working capital changes of RM3.1 million as well as a net decrease in working capital of RM1.1 million.

#### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

#### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The bereavement care services industry is capital-intensive and requires specialised industry knowledge to carry out operations. As a result, the barriers to entry for this industry remain high and there have been no significant changes in the competitive landscape for the sector.

The Group will continue with its strategy of developing high-end memorial parks and providing quality bereavement care services as well. This will enable the Group to remain competitive.

The Group expects to experience seasonally lower business levels in the first three months of the 2011 calendar year. This is mainly because of lower pre-need sales activities before and after the Chinese Lunar New Year, as this is viewed as a cultural taboo during the auspicious period. As a result, the directors expect trading conditions, especially for pre-need sales, to be difficult in the next quarter.

**11. If a decision regarding dividend has been made:**

(a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**

(b) (i) **Amount per share ..... cents**

(ii) **Previous corresponding period ..... cents**

None.

**Whether the dividend is before tax, net of tax or tax exempt. If before tax or net tax, state the state the tax rate and the country where dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

(d) **The date the dividend is payable.**

Not applicable.

(e) **The date on which Registrable Transfers received by the company up to 5.00 pm will be registered before entitlements to the dividend determined.**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to the effect.**

No dividend has been declared for the quarter ended 31 December 2010.

**13. Utilisation of Proceeds**

As at 31 December 2010, the status of utilisation of proceeds from the warrant issuance completed on 18 May 2009 was as follows:

<b>Purposes of utilisation</b>	<b>Proposed utilisation S\$'000</b>	<b>Actual utilisation S\$'000</b>	<b>As a percentage of gross proceeds %</b>
Working capital	5,600	5,087	86.2
Placement expenses	300	289	4.9
Total	<u>5,900</u>	<u>5,376</u>	<u>91.1</u>

**BY ORDER OF THE BOARD**

**Lee Keng Mun  
Chief Financial Officer  
10 February 2011**



## ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

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### CONFIRMATION BY THE BOARD

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We, Dato' Dr. Choo Yeow Ming and Yap Siean Sin, being two of the directors of Asia-Pacific Strategic Investments Limited (the "Company"), do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company that might render the financial results for the half year ended 31 December 2010 to be false or misleading.

### BY ORDER OF THE BOARD

(SIGNED)

Dato' Dr. Choo Yeow Ming  
Chairman

10 February 2011

(SIGNED)

Yap Siean Sin  
Director