



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Financial Statements And Dividend Announcement for the Half-Year and Second Quarter Ended 31 December 2007

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

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

	Note	2nd Qtr Ended 31/12/2007 RM'000	2nd Qtr Ended 31/12/2006 RM'000	1st Half Ended 31/12/2007 RM'000	1st Half Ended 31/12/2006 RM'000
Revenue		12,311	11,941	15,695	15,170
Cost of sales		(2,808)	(2,197)	(3,566)	(3,167)
Gross profit		9,503	9,744	12,129	12,003
Other operating income		(1)	7	10	7
Selling and distribution expenses		(722)	(448)	(1,296)	(863)
General and administrative expenses		(825)	(287)	(1,289)	(499)
Other operating expenses		(450)	(503)	(850)	(963)
Profit from operations		7,505	8,513	8,704	9,685
Financial income		129	194	287	456
Financial expenses		(428)	(489)	(572)	(661)
Profit before tax	A	7,206	8,218	8,419	9,480
Tax expense	B	(2,115)	(2,395)	(2,445)	(2,788)
Profit attributable to equity holders of the Company		5,091	5,823	5,974	6,692

1(a)(ii) Notes to income statement

A. The profit before tax is determined after charging/(crediting) the followings:

	2nd Qtr Ended 31/12/2007 RM'000	2nd Qtr Ended 31/12/2006 RM'000	1st Half Ended 31/12/2007 RM'000	1st Half Ended 31/12/2006 RM'000
Interest income	(129)	(194)	(287)	(456)
Management fee income	(26)	(54)	(52)	(54)
Interest expenses:				
- Adjustment of trade receivables to amortised cost	231	299	177	299
- Finance leases	1	2	3	4
- Adjustment of other payable to amortised cost	179	188	358	358
- Bank guarantee	17	-	34	-
Depreciation of property, plant and equipment	60	36	116	57
Foreign exchange loss	36	91	30	103
Operating lease expenses	216	201	404	361

B. Tax expense

	2nd Qtr Ended 31/12/2007 RM'000	2nd Qtr Ended 31/12/2006 RM'000	1st Half Ended 31/12/2007 RM'000	1st Half Ended 31/12/2006 RM'000
Income tax expense				
- Current period	2,115	2,404	2,445	2,709
- Underprovision in respect of prior year	-	14	-	14
Deferred tax				
- Current period	-	(23)	-	65
	<u>2,115</u>	<u>2,395</u>	<u>2,445</u>	<u>2,788</u>

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

	Group		Company	
	31/12/2007	30/06/2007	31/12/2007	30/06/2007
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	11,034	8,832	336	325
Investment in subsidiaries	-	-	224,540	224,540
Trade receivables	13,005	8,083	-	-
	<u>24,039</u>	<u>16,915</u>	<u>224,876</u>	<u>224,865</u>
Current assets				
Inventories	6,149	6,571	-	-
Trade receivables	18,936	10,955	-	-
Other receivables and deposits	562	577	369	167
Prepayments	27	2,229	4	2,171
Bank deposits (pledged)	13,775	13,775	-	-
Cash and cash equivalents	1,142	7,649	46	267
	<u>40,591</u>	<u>41,756</u>	<u>419</u>	<u>2,605</u>
Current liabilities				
Trade payables	1,963	32	-	-
Other payables and accruals	7,070	6,949	688	929
Finance lease obligations	39	28	-	-
Amount due to a subsidiary (non-trade)	-	-	3,584	1,733
Amount due to a director (non-trade)	486	486	486	486
Tax payable	3,962	2,972	-	-
	<u>13,520</u>	<u>10,467</u>	<u>4,758</u>	<u>3,148</u>
Net current assets/ (liabilities)	27,071	31,289	(4,339)	(543)
Non-current liabilities				
Other payable	10,619	10,261	-	-
Finance lease obligations	117	87	-	-
Deferred tax liability	65	65	-	-
	<u>(10,801)</u>	<u>(10,413)</u>	<u>-</u>	<u>-</u>
Net assets	<u>40,309</u>	<u>37,791</u>	<u>220,537</u>	<u>224,322</u>

	Group		Company	
	31/12/2007	30/06/2007	31/12/2007	30/06/2007
	RM'000	RM'000	RM'000	RM'000
Equity attributable to equity holders of the Company				
Share capital	221,084	224,540	221,084	224,540
Restructuring reserve	(201,554)	(201,554)	-	-
Accumulated profit/(losses)	20,779	14,805	(547)	(218)
Total equity	40,309	37,791	220,537	224,322

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

	As at 31/12/2007		As at 30/06/2007	
	Secured	Unsecured	Secured	Unsecured
	RM'000	RM'000	RM'000	RM'000
Amount repayable in one year or less, or on demand	39	-	28	-
Amount repayable after one year	117	-	87	-

Details of any collateral

The secured borrowings pertain to finance lease of motor vehicles and is secured by way of a legal mortgage on the underlying lease assets.

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

	2nd Qtr Ended 31/12/2007 RM'000	2nd Qtr Ended 31/12/2006 RM'000	1st Half Ended 31/12/2007 RM'000	1st Half Ended 31/12/2006 RM'000
Cash flows from operating activities				
Profit before tax	7,206	8,218	8,419	9,480
Adjustments:				
Depreciation of property, plant and equipment	60	36	116	57
Interest expense	428	489	572	661
Interest income	(129)	(194)	(287)	(456)
Operating profit before working capital changes	7,565	8,549	8,820	9,742
Decrease (Increase) in:				
Inventories	314	275	422	233
Trade and other receivables, deposits and prepayments	(10,588)	(4,390)	(13,034)	885
Increase (Decrease) in:				
Trade and other payables and accruals	2,760	(5,254)	2,052	(2,442)
Amount due to a director (non-trade)	-	-	-	(762)
Cash generated from/(used in) operating activities	51	(820)	(1,740)	7,656
Income tax paid	(650)	(2,764)	(1,455)	(2,764)
Net cash (used in)/from operating activities	(599)	(3,584)	(3,195)	4,892
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,655)	(1,197)	(2,263)	(2,500)
Interest income received	129	194	287	456
Net cash used in investing activities	(1,526)	(1,003)	(1,976)	(2,044)

	2nd Qtr Ended 31/12/2007 RM'000	2nd Qtr Ended 31/12/2006 RM'000	1st Half Ended 31/12/2007 RM'000	1st Half Ended 31/12/2006 RM'000
Cash flows from financing activities				
Listing expenses paid	(407)	-	(1,285)	-
Repayment of finance lease obligations	(7)	(6)	(14)	(13)
Interest expense paid	(18)	(2)	(37)	(4)
Net cash used in financing activities	<u>(432)</u>	<u>(8)</u>	<u>(1,336)</u>	<u>(17)</u>
Net (decrease)/increase in cash and cash equivalents	(2,557)	(4,595)	(6,507)	2,831
Cash and cash equivalents at the beginning of period	<u>3,699</u>	<u>15,148</u>	<u>7,649</u>	<u>7,722</u>
Cash and cash equivalents and the end of period	<u>1,142</u>	<u>10,553</u>	<u>1,142</u>	<u>10,553</u>

Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts:

	31/12/2007 RM'000	31/12/2006 RM'000	31/12/2007 RM'000	31/12/2006 RM'000
Cash and bank balances	14,917	24,328	14,917	24,328
Bank deposits pledged	<u>(13,775)</u>	<u>(13,775)</u>	<u>(13,775)</u>	<u>(13,775)</u>
Cash and cash equivalents	<u>1,142</u>	<u>10,553</u>	<u>1,142</u>	<u>10,553</u>

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 equity holders of the Company			Total equity RM'000
	Share capital RM'000	Restructuring reserve RM'000	Accumulated profits/(losses) RM'000	
Group				
2008				
Balance at 1 July 2007	224,540	(201,554)	14,805	37,791
Listing expenses	(3,456)	-	-	(3,456)
Profit for the period, representing total recognised income for the period	-	-	5,974	5,974
Balance at 31 December 2007	221,084	(201,554)	20,779	40,309
2007				
Balance at 1 July 2006	22,986	-	6,889	29,875
Issuance of shares by the Company	- *	-	-	- *
Profit for the period, representing total recognised income for the period	-	-	6,692	6,692
Balance at 31 December 2006	22,986	-	13,581	36,567
Company				
2008				
Balance at 1 July 2007	224,540	-	(218)	224,322
Listing expenses	(3,456)	-	-	(3,456)
Loss for the period, representing total recognised expense for the period	-	-	(329)	(329)
Balance at 31 December 2007	221,084	-	(547)	220,537
2007				
Balance at date of incorporation	- *	-	-	- *
Loss for the period, representing total recognised expense for the period	-	-	(88)	(88)
Balance at 31 December 2006	- *	-	(88)	(88)

* 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 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.

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 in the audited financial statements for the financial year ended 30 June 2007.

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.

Not applicable.

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 Qtr Ended 31/12/2007	2nd Qtr Ended 31/12/2006	1st Half Ended 31/12/2007	1st Half Ended 31/12/2006
Net profit for the period attributable to equity holders (RM)	5,091,000	5,823,000	5,974,000	6,692,000
Weighted average number of shares (No.)	500,000,000	500,000,000	500,000,000	500,000,000
Basic earnings per share (RM cents)	1.02	1.16	1.19	1.34
Diluted earnings per share (RM cents)	1.02	1.16	1.19	1.34

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.**

	Group		Company	
	31/12/2007	30/06/2007	31/12/2007	30/06/2007
Net asset value per ordinary share	RM0.08	RM0.08	RM0.44	RM0.45

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

2Q2008 vs 2Q2007

The Group recorded revenue of RM12,311,000 in 2Q2008, an increase of RM370,000 or 3.1% as compared to 2Q2007. The increase is mainly due to larger aggregate area of burial plots sold in 2Q2008 as compared to 2Q2007. Despite the increase in revenue, the Group recorded lower gross profit of RM9,503,000 due mainly to higher commissions payable to sale agents.

Profit before tax of the Group for 2Q2008 stood at RM7,206,000, a decrease of RM1,012,000 as compared to 2Q2007. Lower gross profit and higher operating expenses contributed to the decrease in profit before tax. The Group's continuous effort to build its selling and distribution channels as well as its management team substantially increased operating expense.

YTD December 2007 vs YTD December 2006

The Group recorded revenue of RM15,695,000 in YTD December 2007, an increase of RM525,000 or 3.5% as compared to YTD December 2006. The increase is mainly due to larger aggregate area of burial plots sold in YTD December 2007 as compared to YTD December 2006. Despite the 3.5% increase in revenue, the Group recorded a lower percentage increase in gross profit. The gross profit increased by 1.0% as compared to YTD December 2006. The lower gross profit margin recorded in YTD December 2007 is mainly due to higher commissions payable to sales agents.

Profit before tax of the Group for YTD December 2007 stood at RM8,419,000, a decrease of RM1,061,000 as compared to YTD December 2006. The decrease in profit before tax is mainly due to higher operating expenses incurred as the Group continued to build its selling and distribution channels as well as its management team.

B. Review of Financial Position

Non-current Assets

As at 31 December 2007, the Group's non-current assets amounted to RM24,039,000, increased by RM7,124,000 as compared to 30 June 2007. The increase is mainly attributable to the increase in property, plant and equipment and long term trade receivables. The increase in property, plant and equipment is mainly due to the ongoing development work carried out in Semenyih Memorial Hills and the purchase of others assets to support the Group's operation and its business expansion. An increase in instalment sales from which a portion of proceeds are receivable after 12 months from the end of the period resulted in the increase in long term trade receivables.

Current Assets

Current assets of the Group decreased by RM1,165,000 to RM40,591,000 as at 31 December 2007. The decrease is mainly attributable to the decrease in cash and cash equivalents due to the following reasons:

- (i) Payment to contractors for the construction works performed in Semenyih Memorial Hills and the purchase of other fixed assets;
- (ii) Payment of commission, operating expenses, listing expenses and income tax; and
- (iii) A significant portion of revenue recognised in the comparable period arose from sales which were contracted in the previous financial year and for which collection had been collected prior to balance sheet date. Revenue for the current period were primarily credit sales, a significant portion of which were on plans with instalments payable beyond 12 months.

In addition, the decreases were also due to recognition of deferred listing expenses against share capital account upon completion of the listing exercise of the Company on 31 August 2007.

Current Liabilities

The Group's current liabilities amounted to RM13,520,000 as at 31 December 2007, an increase of RM3,053,000 as compared to 30 June 2007. This was mainly due to increase in amount payable to contractors for development works, increase in sales commissions payable and income tax payable.

Non-current Liabilities

Non-current liabilities of the Group stood at RM10,801,000 and mainly consisted of amount payable in respect of purchase of freehold land used for the development of the Group's bereavement care business.

C. Review of Cash Flow

The Group recorded a decrease in cash and cash equivalents of RM6,507,000 in YTD December 2007 as compared to an increase of RM2,831,000 in YTD December 2006. The decrease is mainly attributable to the lower net profit from operations, increases in trade receivables and disbursements for capital expenditure and corporate income tax.

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 construction work in Semenyih Memorial Hills (SMH) has progressed with the completion of initial launch zones, the consecration of the Tua Pek Kong shrine, as well as the lake works. The burial plots are currently ready for internment and the Board is expected that the Group will be generating revenue from funeral services and construction of tomb in the second half of the financial year. In addition, the infrastructure development has also covered targeted zones for retail sales and the Group has appointed a number of sale agents and expected the retail sale of burial plots will commence in the second half of the financial year.

Barring unforeseen circumstances, the directors expect the Group's results in this financial year to be satisfactory.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Book closure date

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 2007.

BY ORDER OF THE BOARD

**Michael Chu
Chief Financial Officer
5 February 2008**



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED
(Company Reg. No. 200609901H)

CONFIRMATION BY THE BOARD

We, Dato' Dr. Choo Yeow Ming and Michael Chu, 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 which may render the financial results for the half year ended 31 December 2007 to be false or misleading.

BY ORDER OF THE BOARD

(SIGNED)

Dato' Dr. Choo Yeow Ming
Chief Executive Officer

5 February 2008

(SIGNED)

Michael Chu
Chief Financial Officer