



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Financial Statements And Dividend Announcement for the Third Quarter Ended 31 March 2008

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	3rd Qtr Ended 31/03/2008 RM'000	3rd Qtr Ended 31/03/2007 RM'000	9 Months Ended 31/03/2008 RM'000	9 Months Ended 31/03/2007 RM'000
Revenue		1,155	3,824	16,850	18,994
Cost of sales		(280)	(724)	(3,846)	(3,891)
Gross profit		875	3,100	13,004	15,103
Other operating income		(8)	5	2	12
Selling and distribution expenses		(776)	(490)	(2,072)	(1,353)
General and administrative expenses		(1,006)	(241)	(2,295)	(740)
Other operating expenses		(492)	(575)	(1,342)	(1,538)
Profit/(Loss) from operations		(1,407)	1,799	7,297	11,484
Financial income		60	182	347	638
Financial expenses		74	(175)	(498)	(836)
Profit/(Loss) before tax	A	(1,273)	1,806	7,146	11,286
Tax credit/(expense)	B	261	(473)	(2,184)	(3,261)
Profit/(Loss) for the year		(1,012)	1,333	4,962	8,025
Attributable to:					
Equity holders of the Company		(1,012)	1,333	4,962	8,025
Minority interests		- *	-	- *	-
		(1,012)	1,333	4,962	8,025

* Less Than RM1,000.

1(a)(ii) Notes to income statement

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

	3rd Qtr Ended 31/03/2008 RM'000	3rd Qtr Ended 31/03/2007 RM'000	9 Months Ended 31/03/2008 RM'000	9 Months Ended 31/03/2007 RM'000
Interest income	(60)	(182)	(347)	(638)
Management fee income	(26)	(26)	(78)	(80)
Interest expenses:				
- Adjustment of trade receivables to amortised cost	(291)	(46)	(114)	253
- Finance leases	3	1	6	5
- Adjustment of other payable to amortised cost	179	179	537	537
- Bank guarantee	35	41	69	41
Depreciation of property, plant and equipment	71	41	187	98
Foreign exchange loss	21	63	51	166
Operating lease expenses	229	207	633	568

B. Tax expense/(credit)

	3rd Qtr Ended 31/03/2008 RM'000	3rd Qtr Ended 31/03/2007 RM'000	9 Months Ended 31/03/2008 RM'000	9 Months Ended 31/03/2007 RM'000
Income tax expense/(credit)				
- Current period	(261)	473	2,184	3,182
- Underprovision in respect of prior year	-	-	-	14
Deferred tax				
- Current period	-	-	-	65
	<u>(261)</u>	<u>473</u>	<u>2,184</u>	<u>3,261</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	
	31/03/2008	30/06/2007	31/03/2008	30/06/2007
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	16,877	8,832	361	325
Investment in subsidiaries	-	-	224,540	224,540
Trade receivables	10,353	8,083	-	-
	<u>27,230</u>	<u>16,915</u>	<u>224,901</u>	<u>224,865</u>
Current assets				
Inventories	6,140	6,571	-	-
Trade receivables	21,883	10,955	-	-
Other receivables and deposits	532	577	239	167
Prepayments	53	2,229	32	2,171
Bank deposits (pledged)	6,888	13,775	-	-
Cash and cash equivalents	19,474	7,649	16,282	267
	<u>54,970</u>	<u>41,756</u>	<u>16,553</u>	<u>2,605</u>
Current liabilities				
Trade payables	3,181	32	-	-
Other payables and accruals	6,905	6,949	227	929
Finance lease obligations	82	28	-	-
Amount due to a subsidiary (non-trade)	-	-	135	1,733
Amount due to a director (non-trade)	486	486	486	486
Tax payable	567	2,972	-	-
	<u>11,221</u>	<u>10,467</u>	<u>848</u>	<u>3,148</u>
Net current assets/ (liabilities)	43,749	31,289	15,705	(543)
Non-current liabilities				
Other payable	10,798	10,261	-	-
Finance lease obligations	279	87	-	-
Deferred tax liability	65	65	-	-
	<u>(11,142)</u>	<u>(10,413)</u>	<u>-</u>	<u>-</u>
Net assets	<u>59,837</u>	<u>37,791</u>	<u>240,606</u>	<u>224,322</u>

	Group		Company	
	31/03/2008	30/06/2007	31/03/2008	30/06/2007
	RM'000	RM'000	RM'000	RM'000
Equity attributable to equity holders of the Company				
Share capital	241,624	224,540	241,624	224,540
Restructuring reserve	(201,554)	(201,554)	-	-
Accumulated profits/(losses)	19,767	14,805	(1,018)	(218)
Total equity	59,837	37,791	240,606	224,322

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

	As at 31/03/2008		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	82	-	28	-
Amount repayable after one year	279	-	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.

	3rd Qtr Ended 31/03/2008 RM'000	3rd Qtr Ended 31/03/2007 RM'000	9 Months Ended 31/03/2008 RM'000	9 Months Ended 31/03/2007 RM'000
Cash flows from operating activities				
Profit/(Loss) before tax	(1,273)	1,806	7,146	11,286
Adjustments:				
Depreciation of property, plant and equipment	71	41	187	98
Interest expense	(74)	175	498	836
Interest income	(60)	(182)	(347)	(638)
Operating profit/(loss) before working capital changes	(1,336)	1,840	7,484	11,582
Decrease (Increase) in:				
Inventories	9	108	431	341
Trade and other receivables, deposits and prepayments	-	(2,237)	(13,034)	(1,352)
Increase (Decrease) in:				
Trade and other payables and accruals	1,053	424	3,105	(2,018)
Amount due to a director (non-trade)	-	-	-	(762)
Cash generated from/(used in) operating activities	(274)	135	(2,014)	7,791
Income tax paid	(3,134)	(1,114)	(4,589)	(3,878)
Net cash from/(used in) operating activities	(3,408)	(979)	(6,603)	3,913
Cash flows from investing activities				
Purchase of property, plant and equipment	(5,695)	(417)	(7,958)	(2,917)
Interest income received	60	182	347	638
Net cash used in investing activities	(5,635)	(235)	(7,611)	(2,279)

	3rd Qtr Ended 31/03/2008 RM'000	3rd Qtr Ended 31/03/2007 RM'000	9 Months Ended 31/03/2008 RM'000	9 Months Ended 31/03/2007 RM'000
Cash flows from financing activities				
Proceeds from issuance of new ordinary shares pursuant to share placement exercise	20,754	-	20,754	-
Share placement expenses paid	(72)	-	(72)	-
Listing expenses paid	(142)	-	(1,427)	-
Decreased in fixed deposits pledged	6,887	-	6,887	-
Repayment of finance lease obligations	(14)	(7)	(28)	(20)
Interest expense paid	(38)	(42)	(75)	(46)
Net cash from/(used in) financing activities	<u>27,375</u>	<u>(49)</u>	<u>26,039</u>	<u>(66)</u>
Net increase/(decrease) in cash and cash equivalents	18,332	(1,263)	11,825	1,568
Cash and cash equivalents at the beginning of period	<u>1,142</u>	<u>10,553</u>	<u>7,649</u>	<u>7,722</u>
Cash and cash equivalents and the end of period	<u><u>19,474</u></u>	<u><u>9,290</u></u>	<u><u>19,474</u></u>	<u><u>9,290</u></u>

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

	31/03/2008 RM'000	31/03/2007 RM'000	31/03/2008 RM'000	31/03/2007 RM'000
Cash and bank balances	26,362	23,065	26,362	23,065
Bank deposits pledged	<u>(6,888)</u>	<u>(13,775)</u>	<u>(6,888)</u>	<u>(13,775)</u>
Cash and cash equivalents	<u><u>19,474</u></u>	<u><u>9,290</u></u>	<u><u>19,474</u></u>	<u><u>9,290</u></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			
	Share capital RM'000	Restructuring reserve RM'000	Accumulated profits/(losses) RM'000	Total equity RM'000
Group				
2008				
Balance at 1 July 2007	224,540	(201,554)	14,805	37,791
Listing expenses	(3,598)	-	-	(3,598)
Issuance of new ordinary shares pursuant to share placement exercise	20,754	-	-	20,754
Share placement expenses	(72)	-	-	(72)
Profit for the period, representing total recognised income for the period	-	-	4,962	4,962
Balance at 31 March 2008	<u>241,624</u>	<u>(201,554)</u>	<u>19,767</u>	<u>59,837</u>
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	-	-	8,025	8,025
Balance at 31 March 2007	<u>22,986</u>	<u>-</u>	<u>14,914</u>	<u>37,900</u>
Company				
2008				
Balance at 1 July 2007	224,540	-	(218)	224,322
Listing expenses	(3,598)	-	-	(3,598)
Issuance of new ordinary shares pursuant to share placement exercise	20,754	-	-	20,754
Share placement expenses	(72)	-	-	(72)
Loss for the period, representing total recognised expense for the period	-	-	(800)	(800)
Balance at 31 March 2008	<u>241,624</u>	<u>-</u>	<u>(1,018)</u>	<u>240,606</u>

	Attributable to equity holders of the Company			Total equity RM'000
	Share capital RM'000	Restructuring reserve RM'000	Accumulated profits/(losses) RM'000	
Company 2007				
Balance at date of incorporation	- *	-	-	- *
Loss for the period, representing total recognised expense for the period	-	-	(261)	(261)
Balance at 31 March 2007	- *	-	(261)	(261)

* 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.

On 26 March 2008, the Company issued 50,000,000 new ordinary shares at SGD0.18 per share to fund the Group business expansion and for working capital purposes. With the share placement exercise, the number of issued share capital of the Company as at 31 March 2008 was 550,000,000. Other than the above stated, there are no changes in the share capital of the Company for the period ended 31 March 2008.

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.**

	3rd Qtr Ended 31/03/2008	3rd Qtr Ended 31/03/2007	9 Months Ended 31/03/2008	9 Months Ended 31/03/2007
Net profit/(loss) for the period attributable to equity holders (RM)	(1,012,000)	1,333,000	4,962,000	8,025,000
Weighted average number of shares (No.)	502,747,253	500,000,000	500,909,091	500,000,000
Basic earnings/(loss) per share (RM cents)	(0.20)	0.27	0.99	1.60
Diluted earnings/(loss) per share (RM cents)	(0.20)	0.27	0.99	1.60

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	
	31/03/2008	30/06/2007	31/03/2008	30/06/2007
Net asset value per ordinary share	RM0.11	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

Third Quarter Ended 31 March 2008 ("3Q2008") vs Third Quarter Ended 31 March 2007 ("3Q2007")

The industry experiences seasonally lower businesses in the first three months of the calendar year primarily due to low pre-need sale activities before and after Chinese New Year. The Group recorded revenue of RM1,155,000 in 3Q2008, a decrease of RM2,669,000 or 70% as compared to 3Q2007. The decrease is mainly attributable to the following reasons:

- (i) The Group commenced its funeral services and tomb construction during the quarter under review. Substantial effort was vested by the management in setting up these divisions and reduced the emphasis on the pre-need sales of burial plots; and
- (ii) The parliament of Malaysia was dissolved on 13 February 2008. The Election Commission announced the nomination date and the polling date on 24 February 2008 and 8 March 2008 respectively. The results of the Malaysia general election shown that Barisan National lost its two third majority in parliament and 5 state assemblies to oppositions including the State of Selangor. The results of the general election and longer period of campaign respectively affected the sentiment of purchasers for the pre-need burial plot market.

Gross profit of the Group accordingly decreased by RM2,225,000 to RM875,000 for 3Q2008.

The Group recorded loss before tax of RM1,273,000 in 3Q2008 in comparison with a profit before tax of RM1,806,000 in 3Q2007. The loss before tax was primarily due to higher operating expenses and lower revenue generated. The Group's continuous effort to build its selling and distribution channels as well as its management team substantially increased non-financial overhead expenses by RM968,000.

9 Months Ended 31 March 2008 ("YTD 2008") vs 9 Months Ended 31 March 2007 ("YTD 2007")

The Group's revenue of RM16,850,000 for YTD 2008, decreased by RM2,144,000 or 11% as compared to YTD 2007. The decrease was mainly attributable to the lower revenue generated in 3Q2008 as mentioned in previous section. With the lower revenue, the Group recorded a lower gross profit of RM13,004,000 in YTD 2008. In addition, the lower gross profit was also attributable to lower gross profit margin for YTD 2008, which resulted from higher commissions payable to sales agents.

Profit before tax of the Group for YTD 2008 stood at RM7,146,000, a decrease of RM4,140,000 as compared to YTD 2007. The decrease in profit before tax is mainly due to lower gross profit as mentioned above and 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 March 2008, the Group's non-current assets amounted to RM27,230,000, which increased by RM10,315,000 as compared to 30 June 2007. The increase was mainly attributable to increases in property, plant and equipment of RM8,045,000 and long term trade receivables of RM2,270,000. 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 had increased the carrying value of property, plant and equipment. 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 increased by RM13,214,000 over 9 months to RM54,970,000 as at 31 March 2008.

The increase was mainly attributable to net proceeds of RM20,682,000 from the issuance of 50,000,000 new ordinary shares at SGD0.18 per share pursuant to the Company share placement exercise. This increase was partly offset by the following:

- (i) Increase of trade receivables by RM10,928,000 due to substantial increase in credit sales for the period under review; and
- (ii) Payment to contractors for the construction works performed in Semenyih Memorial Hills and the purchase of other fixed assets totalling RM7,958,000.

Current Liabilities

The Group's current liabilities amounted to RM11,221,000 as at 31 March 2008, slightly increased by RM754,000 as compared to 30 June 2007. This was mainly due to increase in amount payable to contractors for development works, partly offset by a reduction in tax payable.

C. Review of Cash Flow

The Group recorded an increase in cash and cash equivalents of RM11,825,000 in YTD March 2008 as compared to an increase of RM1,568,000 in YTD March 2007. The increase was primarily attributable to net proceeds of RM20,682,000 from the issuance of new ordinary shares pursuant to the Company shares placement exercise and the discharge of fixed deposits pledged to a licensed bank amounted to RM6,887,000. The increase was partly offset by the lower net profit from operations of RM7,484,000, increases in trade receivables RM13,085,000 and disbursements for capital expenditure of RM7,958,000 and corporate income tax of RM4,589,000.

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, main access road as well as the lake works. The burial plots are ready for interment and the Group has commenced the funeral services and construction of tombs in this quarter. In addition, the infrastructure development has also covered targeted zones for retail sales. The Group has appointed a number of sale agents and expects higher level of retail sales of burial plots in the fourth quarter 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 interim dividend has been declared for the quarter ended 31 March 2008.

BY ORDER OF THE BOARD

Michael Chu
Chief Financial Officer
6 May 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 third quarter and nine months ended 31 March 2008 to be false or misleading.

BY ORDER OF THE BOARD

(SIGNED)

Dato' Dr. Choo Yeow Ming
Chief Executive Officer

6 May 2008

(SIGNED)

Michael Chu
Chief Financial Officer